

BUSINESS WEEK

← YEAR
AGO

← WEEK
AGO

← START
OF
WAR
1939



Clement R. Attlee: As a revolutionist, he "remains an Englishman"

BUSINESS
WEEK
INDEX

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Wages come from work, not words

SUPPOSE you make hats that sell for \$5 each. Whether you work alone in your basement or in a big factory, you have to pay someone to sell the hats, collect the money, keep the books, and provide the place where you work. You have to buy raw materials, pay for the machinery you use, and pay taxes.

Let's suppose those costs amount to \$2 a hat. That leaves \$3 for your labor. You make two hats a day—\$6.

You want more money.

If you demand and get \$4 a hat for your labor (\$8 a day) you still must have a place to work, still must pay taxes, so the extra \$2 must come by raising the price of the hat to \$6. You won't sell as many hats. Your job will be less secure, you

won't work as regularly, you won't get your \$8 a day very long.

Or, you can get better machinery and make three hats a day. At your present rate of \$3 a hat that's \$9 a day, your job remains secure, and the better machinery makes your work easier.

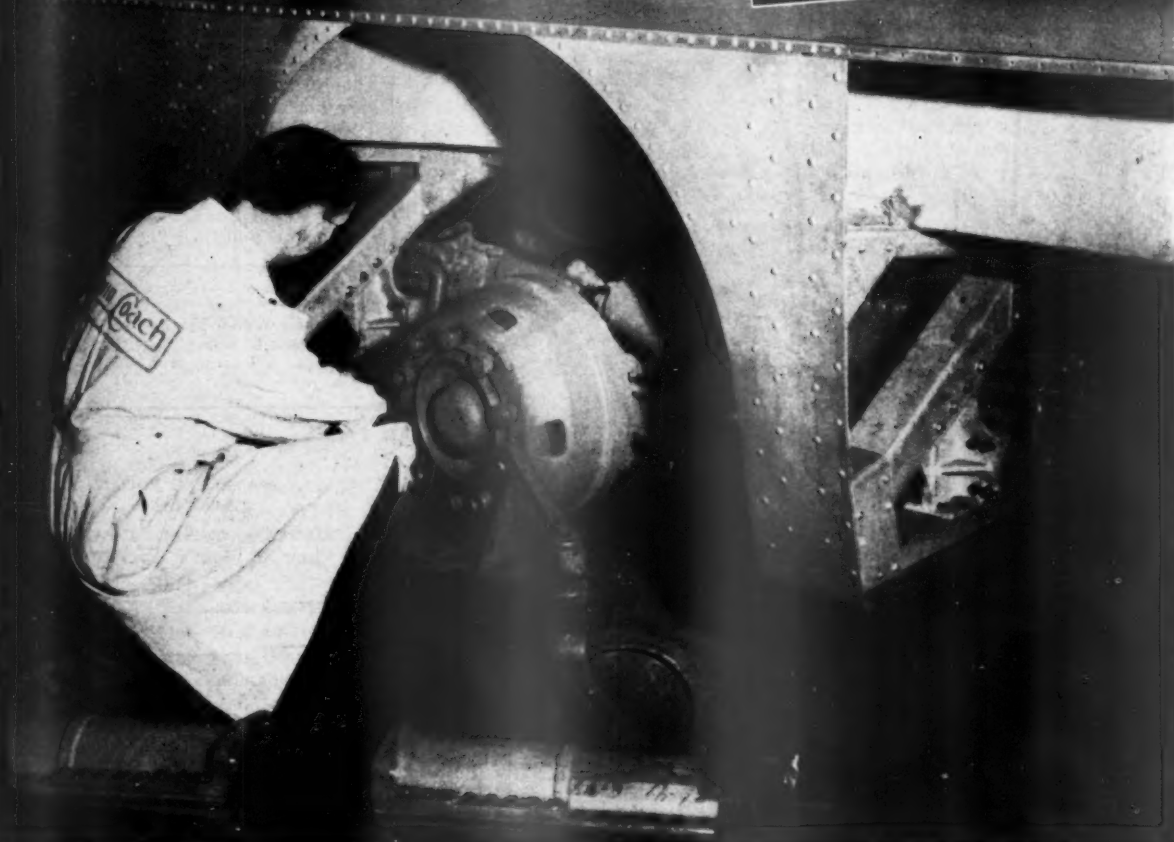
There's another advantage to you, too. Costs don't go up in proportion, so the cost per hat is less. You can sell your hat at \$4.75 instead of \$5, demand goes up, you have more orders, and so your job is more secure as well as more profitable to you.

In the long run no one can legislate jobs or wages—both have to be *earned*, and the only way to earn them is by *efficient work*. And that's up to you.



YOU CAN MACHINE IT BETTER, FASTER, FOR LESS WITH WARNER & SWASEY TURRET LATHES AND TAPPING MACHINES

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The feather bed that rolls— rubber springs now ready for cars

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This B. F. Goodrich development will add more to riding comfort than anything since the air-filled tire replaced the solid tire generations ago. It consists of a metal cylinder filled with rubber, with a shaft at the center.

The weight of the car connected to the shaft makes it turn inside the cylinder, gives a twisting action to the rubber. It absorbs practically all the road shocks that ordinarily would pass right through the stiff steel springs.

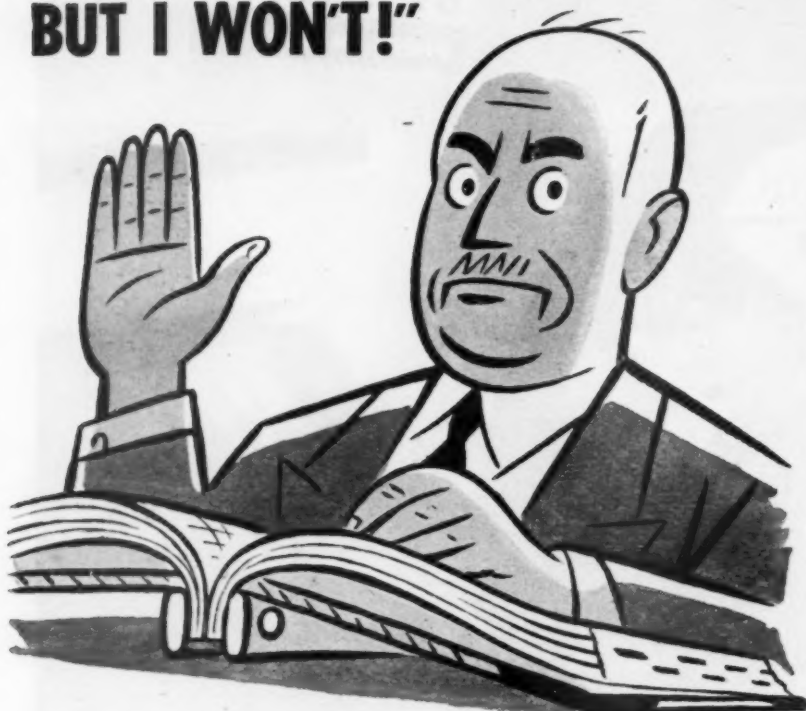
Research at B. F. Goodrich applies not just to new, unusual things like this but to every kind of rubber product used in home or industry. No product, however familiar, is ever regarded as too "standardized" to be steadily and constantly improved. When you buy a B. F. Goodrich conveyor belt or length of hose or any major industrial installation that in-

cludes use of rubber—you may be sure you're buying the latest improvements that science and study can make. This new spring is just one of a series of developments that started years ago and will continue for years to come.

Photo above, taken in a plant of The Twin Coach Company, shows the spring (on the floor) about to be installed in one of the new buses they hope to have on the roads soon. The B. F. Goodrich Company, Industrial Products Division, Akron, Ohio.

B.F. Goodrich
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"Credit Loss History May Repeat BUT I WON'T!"

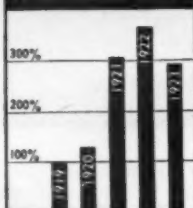


AFTER WORLD WAR ONE credit losses climbed quickly. In just three years . . . as the accompanying chart shows . . . the number of commercial and industrial failures jumped to 367% of the 1919 total; current liabilities involved soared to 551%.

WILL HISTORY REPEAT? Will failures multiply again? No one knows. Even now . . . upsets caused by unforeseen developments after goods are shipped may leave customers frozen . . . or worse. That's why manufacturers and wholesalers in over 150 lines of business carry American Credit Insurance . . . and why you need it too.

American Credit Insurance **GUARANTEES PAYMENT** of your accounts receivable for goods shipped . . . pays you when your customers can't. Don't face the uncertain future unprotected. Write now for more information to: American Credit Indemnity Company of New York, Dept. 42, First National Bank Building, Baltimore 2, Md.

**BUSINESS FAILURES
AFTER WORLD WAR I**



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**American
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**Pays You When
Your Customers Can't**

OFFICES IN PRINCIPAL CITIES OF UNITED STATES AND CANADA

BUSINESS WEEK

WHERE TO FIND IT

Canada	116
Figures of the Week	117
Finance	118
General News	119
Labor	120
The Labor Angle	121
Marketing	122
The Markets	123
New Products	124
The Outlook	125
Production	126
The Trading Post	127
The Trend	128
The War and Business Abroad	129
Washington Bulletin	130

The Pictures—Cover—Acme; 15, 16—British Combine; 17—Acme; 19—European; 20—Int. News, Wide World; 21—British Combine; 22—Acme, Harris & Ewing; 26—Press Assn.; 44—Int. News; 83—Acme; 102 (right)—Greystone Stoller; 104—Acme.

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BUSINESS WEEK • AUGUST 4 • NUMBER 831

(with which is combined The Annalist and the Magazine of Business). Published weekly by McGraw-Hill Publishing Company, Inc., James H. McGraw, Founder and Honorary Chairman, PUBLICATION OFFICE 99-129 NORTH BROADWAY, ALBANY 1, N. Y. EDITORIAL AND EXECUTIVE OFFICES, 330 W. 42ND ST., NEW YORK 18, N. Y. James H. McGraw, Jr., President; Curtis W. McGraw, Senior Vice-President and Treasurer; Howard Ehrlich, Vice-President (for business operations); John Abbink, Vice-President (for editorial operations); Joseph A. Gerardi, Secretary. About subscriptions address: J. E. Blackburn, Jr., Director of Circulation, Business Week, 330 West 42nd St., New York 18, N. Y. Allow ten days for change of address. Subscription rates—United States, Mexico and Central and South American countries \$5.00 a year, Canada \$6.00 for a year. Entered as second class matter December 4, 1936 at the Post Office at Albany, N. Y., under the Act of March 3, 1879. Return postage guaranteed. Printed in U. S. A. Copyright 1945 by McGraw-Hill Publishing Company, Inc. — All Rights Reserved. Please indicate position and company connection on subscription orders.

KEY ROLE FOR OWMR

Sharp advice by Sen. James M. McLaughlin's War Investigating Committee to the Office of War Mobilization and Reconversion be put on a "superagency operating basis" and assume direct control over all civilian war agencies—WPB, Office of Defense Transportation, OPA, Foreign Economic Administration, etc.—means that more power will be put behind reconversion. The Mead committee gets results. It means the quick action in the transportation tangle after last week's committee hearings (BW-Jul.28'45,p5). In the matter of days, the Army announced it would relieve redeployment pressure by (1) speeding the release of men with railroad experience, and (2) moving 25,000 soldiers coast-to-coast in one month by plane.

The committee's intervention will force a recent move within OWMR to take hold of the reconversion reins in earnest. About a month ago, a man was drawn up to make the war mobilizer's office in fact what it is on paper—a superagency actively steering the economy's transition from war to peace. Robert R. Nathan, deputy director for reconversion, had approval from Fred M. Vinson to follow through. When Vinson left for the Treasury, it was a case of starting all over again with the new war mobilizer, W. W. Snyder.

Capitol's Departure Spurred

Assertion of positive policy-making authority by Snyder is expected to hasten the resignation of J. A. ("Cap") McGraw, WPB chairman, and possibly other war agency heads. The conciliatory role to which OWMR has largely confined itself to date has not prevented these officials from working at the Capitol Hill was deserted this week.

At favorable developments in the future since plans for the congressional session were made have served as a sharp reminder to congressional leadership that they must be ready to move promptly in the fall—if not sooner—on war-end legislation. High on the list is increased unemployment compensation payments to cushion displaced war workers.

Faster Reconversion

Closer cohesion of war agencies under OWMR called for by the Mead committee to quicken the pace of reconversion is aimed primarily at expedit-

ing war production cutbacks and surplus disposal, immediate release by the Army and Navy of a comparatively small number of skilled workers, and the channeling of manpower where most needed—in lumbering, transportation, coal mining, cotton textiles, and steel—and simplification of price-setting procedure.

The committee's report remarks, significantly, that to the extent that slightly higher prices would result, the public would be compensated by the increased flow of goods. The committee made no recommendations regarding reconversion wage policy.

OHIOAN FOR HIGH COURT?

Expectation still is strong that President Truman will name a Republican to fill the Supreme Court vacancy created by the retirement of Associate Justice Owen J. Roberts, one of the two Republicans left on the court. Sen. Harold H. Burton of Ohio now is running ahead of Sen. Warren R. Austin of Vermont in the speculation.

Burton worked closely with Truman on the Senate War Investigating Committee, and he has two distinct political advantages. Ohio is a pivotal state where his appointment could do the Democratic ticket some good in 1948. More important, though, is the fact that Ohio now has a Democratic governor who, in appointing a successor to Burton, would give the Democrats another seat in the Senate for the next 16 months, with the possibility of holding it in the 1946 election. This appeals to Robert Hannegan, chairman of the Democratic National Committee.

Speculation also has extended to include Under Secretary of War Robert P. Patterson, likewise a Republican, who gave up a lifetime job on the circuit court bench in the early days of the defense program. Patterson's appointment to the court would end the problem of what to do with him when Secretary Henry L. Stimson resigns shortly. Truman wants to put a Democrat in the War Dept. post.

MORE CUTBACKS SIGHTED

Following its big rush just prior to V-E Day—and in May and June—WPB's Production Readjustment Committee has had comparatively little to do in the way of clearing cutbacks.

However, with the Army cleaning out its supply pipeline to Europe and

examining requirements generally, PRC expects a substantial number of cuts in ground-force equipment to come through around the middle of this month.

The dollar value of this accumulation is not known, but it will be only a fraction of the \$7,700,000,000 of Army cutbacks processed in May, the peak month.

MEAT BUT NO STORES

When a food chain picks up a slaughterhouse it can legally get meat only for its retail outlets in the area previously served by the house (page 93)—and then only up to the amount previously supplied its stores, if any was supplied at all. OPA's restrictions also work in reverse—slaughterers who have acquired retail outlets are under similar restrictions.

Before supervision of slaughterhouses was transferred to OPA, the War Food Administration had tried to enforce a weaker set of controls, but with little apparent success. Some chains are now stuck with slaughterhouses in areas in which they have no retail stores. An example is Safeway which has a plant in Illinois—but no stores.

POSTWAR PLAN FOR JAPAN

Administration ideas for controlling Japanese industry after the war are generally the same as those covering Germany: Japan must have no heavy industry convertible to war use—but no detailed plan will be necessary.

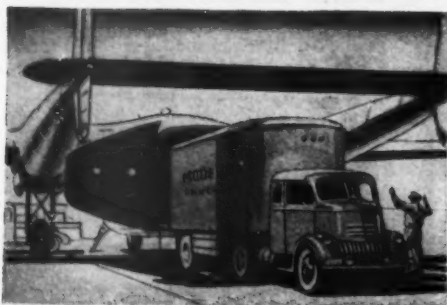
The economists working on Japan's "take down" say that Japanese industry can be disarmed without a multitude of strictures. The reason is that Japan can get basic materials only by sea. It is enough, consequently, to smash the Japanese navy and, after that, to screen its imports and exports.

The plan for converting Germany from heavy to light industry runs into political difficulties when carried over to Japan. Before the war Japan excelled in light industry whose markets China hopes to inherit. The U. S. sympathizes with this Chinese aim.

TRADEMARK SHOWDOWN

With legislation pending in Congress to give trademarks greater legal protection (BW-Jun.30'45,p82), it may

IT'S EASY TO LOAD A FLYING BOXCAR



The Army can drive 10-wheeled trucks, tanks, and many other units of heavy military equipment right into the spacious hold of the Fairchild "Packet".

Or bulky cases can be "walked" from a trailer truck directly onto the floor of this "flying boxcar." (Note: Horizontal "Packet" floor is same height as standard truck floor.)

Smaller packages can be loaded through the forward door or through the paratroop doors at the rear when the tail is closed.

Think what this efficient cargo handling will do for the air shippers of tomorrow! Fast flying freight . . . safe, easy loading . . . costs comparable to surface transport at air express speeds.

All Fairchild Aircraft Division's production facilities are now building the "Packet" in quantities exclusively for the Army Air Forces.

Additional and more detailed information can be obtained by writing Transport Sales Division, Fairchild Aircraft, Hagerstown, Maryland.

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Duramold Division, Jamestown, N. Y.

Subsidiary: Al-Fin Corporation, Jamaica, L. I., N. Y.

Fairchild Aircraft Division, Hagerstown, Md.

Affiliate: Stretcos Corporation, Babylon, L. I., N. Y.

Subsidiary: Al-Fin Corporation, Jamaica, L. I., N. Y.

have been pure coincidence when Justice Dept. this week started an action against the Permutit manufacturer of water softening filtering equipment, charging use of trademark "Permutit" to restrain and suppress competition in this

Justice Dept. opposes the Lanham bill, arguing that trademarks—like patents—can be monopolistic devices and should not enjoy legal immunity.

WITHOUT RESERVATIONS

There's small chance that Senate isolationists can drum up enough strength to block implementing the United Nations Charter, to which this country is committed by the Senate's overwhelming vote. They threaten such action if they don't get the reservations they want to attach to U. S. membership.

They want to restrict the use of U. S. arms by the Security Council to the Western Hemisphere and to require U. S. delegate to refer each dispute to Congress for approval before acting with other countries to vote on enforcement measures.

The isolationists will lose on both counts, and the military agreements, by which the U. S. will earmark a quota of armed forces for use by the Security Council, will not be a treaty and require only a majority vote of the houses.

Many believe President Truman has sufficient authority under the Constitution to establish the powers of the U. S. delegate. This authority will probably be clarified by a joint congressional resolution.

DISUBSIDY WEAPON

Secretary Clinton P. Anderson's strategy is to hope that they can get in an order for the elimination of food subsidies through the government's concerted action against black markets. They estimate that black markets are costing farmers more than twice the \$1,800,000 being paid to food producers and processors this year. So, they argue, public would be better off if legal prices were allowed to rise, thus putting a stop to black markets, and permitting removal of subsidies.

Anderson's economists figure that the nation's food bill, at present legal prices, is \$30,000,000,000, which black market operations boost to \$35,000,-

000,000. Raise ceiling prices to offset the subsidies, they say, and the consumers' food bill drops to about \$32,000,000,000.

TVA, THE BATTLEGROUND

Public power advocates and the private utilities are girding, after a wartime lull, for a bitter-end fight. Both sides will use the Tennessee Valley Authority operation in attempts to show how a great electric power system, owned and operated by the government, has succeeded or failed.

Preliminary sparring is mainly over what many regard as the less important features of the TVA undertaking: flood control, navigation, effects on agriculture, and social and industrial influences in the valley. The hard punching will come on what TVA will do with its vast power resources with the termination of war needs which TVA says have been using 85% of the electricity it can generate.

The real toe-to-toe slugging will come over the plans for a Missouri Valley Authority (BW-Dec.9'44,p20) and the other similar projects that the public power promoters have been pushing since the halcyon days of the late Sen. George Norris. In-fighting through undercover publicity is already fast and furious, with the wide swinging apparently not far off.

EASING A TAX RULE

The Bureau of Internal Revenue will take a fairly lenient stand on claims for refunds under the carryback provisions of the tax law, which allow companies to deduct, from wartime earnings of the two previous years, postwar operating losses and unused excess-profits tax exemptions.

The bureau's comparatively easy-going attitude will apply particularly in the determination of operating expenses during the reconversion period (BW-Jun.16'45,p7).

Here is an example: To do a war job, a company dismantled its plant. The law allows it to charge the cost of restoring the plant to its prewar condition against current earnings, but the board of directors decides instead to rebuild along more modern lines. In this case, the bureau will let the company estimate what it would have cost to restore the old layout. This much can be charged to current expenses, the balance to capital account.

JET FUEL INSUFFICIENT

The Petroleum Administration for War has told the Army and Navy that the petroleum industry won't be able to manufacture all the kerosene needed to power the jet-propelled aircraft when the production program reaches its peak, around the middle of next year. Hence fuel specifications may eventually be changed, perhaps to include low-grade gasoline. This wouldn't cut into civilian supply appreciably.

MEAT CEILING UPHELD

Last April, the U. S. Emergency Court of Appeals ruled that OPA meat price ceilings were squeezing nonprocessing slaughterers, who can't make up on byproducts the money lost on carcass beef and pork operations (BW-Apr.7'45,p18).

On the basis of later evidence, presented by OPA, the court has now reversed itself, ruling that the ceilings are proper.

This clears OPA's fair name, but makes little difference otherwise. To make sure that the slaughterers stay in the black, OPA will continue a special 40¢-a-cwt. subsidy.

ECLIPSE FOR RFC

It is clear now that John W. Snyder, as chief of the Office of War Mobilization & Reconversion, will keep a tight grip on the affairs of the Reconstruction Finance Corp., even though he resigned as Federal Loan Administrator when he took over OWMR (BW-Jul.21'45,p7). RFC will become less and less a policy-making agency and will lose much of the independence it acquired in the days of Jesse Jones.

Several of RFC's top staff members already are moving out. Howard J. Klossner, long a director, quit this week to go back to private business.

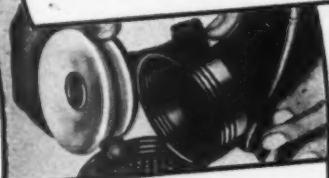
CAN'T ATTACH P.W. WAGES

Since the war started, the Treasury has been searching high and low for German-owned dollars, attaching whatever it could find. But there is one bit of American money—the earnings of war prisoners totaling perhaps \$100,000,000—which the Army says Germans must be allowed to keep. When they go back to Germany, the P.W.'s may take their dollar bills along or, if they prefer,

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invest them here in American business, in propaganda, or anything they like.

Army lawyers are going by the Geneva convention covering treatment of prisoners. American prisoners who worked in Germany were given nothing more than receipts which they were told entitled them to collect from Washington. This breached the Geneva agreement, but the Army argues that failure by one side to stick to the code doesn't release the other.

CAPITAL GAINS (AND LOSSES)

The Army Air Forces is plagued by a new exodus of labor from aircraft plants. One result is that output of the much-wanted four-engine C-54 Skymaster is being slowed down.

It's peanuts, but civilians will get more of 'em. The Army wants no set-aside this year. After tagging one-third of last year's crop, it expects to buy about one-sixth of the 1945 crop on the open market.

Ben Smith, former British supply minister in Washington, who left the capital several months ago to take part in the British election campaign, and Prof. Harold Laski, Labor Party brain-truster, are most frequently mentioned among possible choices as eventual successor to Lord Halifax as Ambassador to Washington.

Randolph Paul, the Treasury's former general counsel, appears to be following Thomas Corcoran, former brain-truster, in directing his law practice into channels which take him into close relationship with officials with whom he was on intimate terms before quitting federal service. Paul emerges as attorney for Brig. Gen. Elliott Roosevelt in his difficulties with the Internal Revenue Bureau.

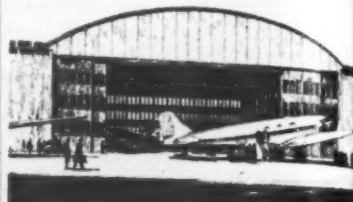
William Y. Elliott is resigning as chief of the Office of Civilian Requirements. He will go back to Harvard University, but will have a governmental advisory post in the foreign trade field. A. C. C. Hill, Jr., Elliott's deputy in OCR, will carry on until the agency is dissolved.

—Business Week's
Washington Bureau

THE COVER

A Socialist of the conservative school, 62-year-old Prime Minister Attlee is pledged to bring the electorate a "new deal" but the change is expected to be in Britain's tradition, not Moscow's (page 15). Unlike his predecessor, Attlee lacks colorful personality, is no orator. He has a plodding determination which has raised his political status from Mayor of Stepney to Prime Minister—in 26 years.

Take a Tip from Aviation



AIRPLANE HANGAR with 160' bowstring truss, bracing, and wall framing and door guides by Timber Structures, Inc.

Timber Structures has helped make construction history in many industries—not the least of which is aviation. From modest sized airplane hangars to huge blimp docks, wood has played a leading part. For planners of air base facilities have found in timber truss construction the answer to many things: large expanses of clear floor area, structural strength, construction speed, economy and permanence.

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THE OUTLOOK

BUSINESS WEEK

AUGUST 4, 1945



Conclusion of the Potsdam conference gives a new sense of urgency to planning for the transition to a peacetime economy. This is everywhere evident in Washington.

There is the Mead committee's recommendation that reconversion activity should center in the Office of War Mobilization & Reconversion (page 5).

There is the "full employment bill" (BW—Dec.23'44,p120) which, in this week's brief hearings, attracted a certain amount of two-party support instead of remaining a sort of residual New Deal measure.

And there are the programs aimed at postwar welfare of wage earners.

•
Results of the British elections (page 15) quite obviously quickened senatorial interest in full employment—in the need for prosperity to thwart radical social trends here as in Europe.

But, by the time Congress reconvenes, the fervor will have moderated.

Congressmen will hear from businessmen on the full employment bill along these lines: that government efforts to stabilize the business curve will put industry in a straitjacket, automatically widening the gap between private employment and the desired goal.

And the Guaranty Trust Co.'s Survey stresses the fact that the bill "would entail a large and continuing annual charge on the Treasury which might threaten consequences to tax rates, national indebtedness, and public credit not pleasant to contemplate."

•
Focal point of the wage controversy, so far as the headlines are concerned, is the Little Steel formula. But there are other issues, quite as important, in the background.

Latest development on "Little Steel" is the proposal advanced by the public members of the National War Labor Board (page 96). This would dent the formula by permitting any wage increases agreed upon by management and labor as long as no price increase would result.

This plan will probably still be awaiting action when the subject of more liberal unemployment benefits comes up again. Liberalization has, of course, been advocated by President Truman, and the program seems to have gathered adherents since it was turned down a year ago.

Inconspicuous now, but with a lot of backing in high places, is the annual wage (page 102). Many friends of labor decry the constant demands for a few cents more an hour when living standards are the real issue.

•
The battle of higher unemployment compensation will be fought out along time-honored lines:

(1) **Advocates** will rely mostly on the cushion of purchasing power it will provide in the reconversion to peacetime production, secondarily on the fact that war workers have done a job that merits this reward.

(2) **Opponents** will object to too-liberal benefits on the grounds that they impair the will to work, and the charge of a federal effort to nationalize state funds (BW—Jul.1'44,p9) will be raised once more.

With unemployment at, say, 6,000,000 toward the end of next year, benefits at levels currently fixed by the various states would mean payments somewhat under \$1,500,000,000 annually (BW—Apr.28'45,p120). The proposed liberalization aims to raise that figure materially.

But what would be the result, for example, in the case of the worker

THE OUTLOOK (Continued)

BUSINESS WEEK
AUGUST 4, 1945

who would be entitled to six months at about \$20 a week and whose base pay is 60¢ an hour?

He now presumably is working 48 hours a week which, with time-and-a-half, makes his pay \$31.20. When he is cut to 40 hours straight time, his wage would go down to \$24. Unemployment compensation at \$20 wouldn't look too bad, whereas the present average of \$16 would seem a bit skimpy.

Concern over this country's timber reserves, expressed occasionally before the war, has been increased by wartime inroads.

Now Forest Service experts are starting agitation for reforestation, once peace eases demand for lumber. Unless prompt measures are taken, they predict a shortage before new trees make enough growth for cutting.

The Middle West had its first real corn weather of the season in the last half of July. After average temperature deficiencies of 4 and 5 degrees from mid-April to mid-July, the Corn Belt has been sizzling.

Yet this crop, so vital to our production of meat, dairy products, poultry, and eggs, has been set back far enough so that even good weather will not entirely eliminate the danger of frost damage this fall.

Food experts will be watching the official crop report as of Aug. 1 when it comes out the end of next week.

Further curbs on trading in rye futures are predicted after the meeting called for Aug. 15 in Chicago by the Secretary of Agriculture.

Anyone who watches the grain markets could tell that rye, without a ceiling price, was taking over the speculative play early last year (BW—May 20 '44, p9). When, finally, Washington became distressed, remedial steps by the Chicago Board of Trade didn't satisfy the critics.

Steel men say to WPB, "Drop your controls; let us go it on our own."

Here is an interesting, though coincidental, parallel to the situation in wool. WPB this week took its controls off wool (page 86); there is some question whether this was done because (a) the outlook for woollens and worsteds has brightened, or (b) the controls weren't working anyhow.

In steel, there is no question. The industry isn't able to turn out the products required for reconversion as things stand. It asks simply to be allowed to see if it can't do better with a free rein.

This would mean the end of the Controlled Materials Plan now.

If CMP is dropped, industry immediately would go under simplified Priorities Regulation 30—now being previewed for tentative release the end of this year (but some say quite a little sooner).

PR-30 accords MM priorities solely to military orders, replacing the AA ratings now given to all essential programs. All nonmilitary production has to shift for itself (except that WPB promises to break bottlenecks).

Don't miss the importance of this. The idea is: "Fill your military orders, and beyond that take care of old customers in the old way."

Some of the businessmen in WPB have urged this step for quite awhile. They argue that normal distribution channels are the best, that we should end this business of salesmen always telling customers, "You can go to WPB and get a rating and I'll give you a firm delivery date."

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Domes
Finish
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170
BUSINE

FIGURES OF THE WEEK

	§ Latest Week	Preceding Week	Month Ago	6 Months Ago	Year Ago
THE INDEX (see chart below)	*220.6	†220.4	223.5	229.4	235.1
PRODUCTION					
Steel Ingot Operations (% of capacity).....	90.8	90.7	88.1	88.7	96.5
Production of Automobiles and Trucks.....	16,105	18,080	19,115	20,765	19,620
Engineering Const. Awards (Eng. News-Rec. 4-week daily av. in thousands)....	\$9,021	\$7,434	\$7,759	\$3,671	\$7,144
Electric Power Output (million kilowatt-hours).....	4,435	4,385	4,353	4,577	4,391
Crude Oil (daily average, 1,000 bbls.).....	4,930	4,944	4,903	4,727	4,608
Bituminous Coal (daily average, 1,000 tons).....	1,930	†2,002	1,962	1,993	1,996
TRADE					
Miscellaneous and L.C.L. Carloadings (daily average, 1,000 cars).....	83	82	84	80	84
All Other Carloadings (daily average, 1,000 cars).....	64	65	63	50	66
Money in Circulation (Wednesday series, millions).....	\$26,926	\$26,901	\$26,628	\$25,175	\$22,584
Department Store Sales (change from same week of preceding year).....	+14%	+15%	+21%	+11%	+11%
Business Failures (Dun & Bradstreet, number).....	22	12	14	16	19
PRICES (Average for the week)					
Spot Commodity Index (Moody's, Dec. 31, 1931=100).....	254.7	254.7	256.3	252.5	250.0
Industrial Raw Materials (U. S. Bureau of Labor Statistics, Aug., 1939=100)....	166.5	166.5	166.5	166.2	165.1
Domestic Farm Products (U. S. Bureau of Labor Statistics, Aug., 1939=100)....	226.7	226.6	227.0	224.3	223.1
Finished Steel Composite (Steel, ton).....	\$58.27	\$58.27	\$58.27	\$57.55	\$56.73
Scrap Steel Composite (Iron Age, ton).....	\$19.17	\$19.17	\$19.17	\$19.17	\$19.17
Copper (electrolytic, Connecticut Valley, lb.).....	12.000¢	12.000¢	12.000¢	12.000¢	12.000¢
Wheat (Kansas City, bu.).....	\$1.59	\$1.56	\$1.65	\$1.65	\$1.53
Sugar (raw, delivered New York, lb.).....	3.75¢	3.75¢	3.75¢	3.75¢	3.74¢
Cotton (middling, ten designated markets, lb.).....	22.53¢	22.56¢	22.48¢	21.34¢	21.25¢
Wool Tops (New York, lb.).....	\$1.330	\$1.330	\$1.330	\$1.340	\$1.340
Rubber (ribbed smoked sheets, New York, lb.).....	22.50¢	22.50¢	22.50¢	22.50¢	22.50¢
FINANCE					
90 Stocks, Price Index (Standard & Poor's Corp.).....	115.6	116.0	119.0	106.9	101.2
Medium Grade Corporate Bond Yield (30 Baa issues, Moody's).....	3.27%	3.26%	3.27%	3.44%	3.56%
High Grade Corporate Bond Yield (30 Aaa issues, Moody's).....	2.61%	2.60%	2.60%	2.68%	2.72%
Call Loans Renewal Rate, N. Y. Stock Exchange (daily average).....	1.00%	1.00%	1.00%	1.00%	1.00%
Prime Commercial Paper, 4-to-6 months, N. Y. City (prevailing rate).....	½%	½%	½%	½%	½%
BANKING (Millions of dollars)					
Demand Deposits Adjusted, reporting member banks.....	37,440	36,852	36,367	35,987	33,503
Total Loans and Investments, reporting member banks.....	63,853	63,994	63,537	59,620	57,065
Commercial and Agricultural Loans, reporting member banks.....	5,903	5,928	5,918	6,387	6,088
Securities Loans, reporting member banks.....	4,811	4,990	5,317	3,389	3,153
U. S. Gov't and Gov't Guaranteed Obligations Held, reporting member banks..	47,312	47,267	46,543	44,554	42,460
Other Securities Held, reporting member banks.....	3,201	3,192	3,159	2,879	2,878
Excess Reserves, all member banks (Wednesday series).....	1,150	1,230	1,300	1,049	1,041
Total Federal Reserve Credit Outstanding (Wednesday series).....	22,129	22,170	22,211	19,220	15,124

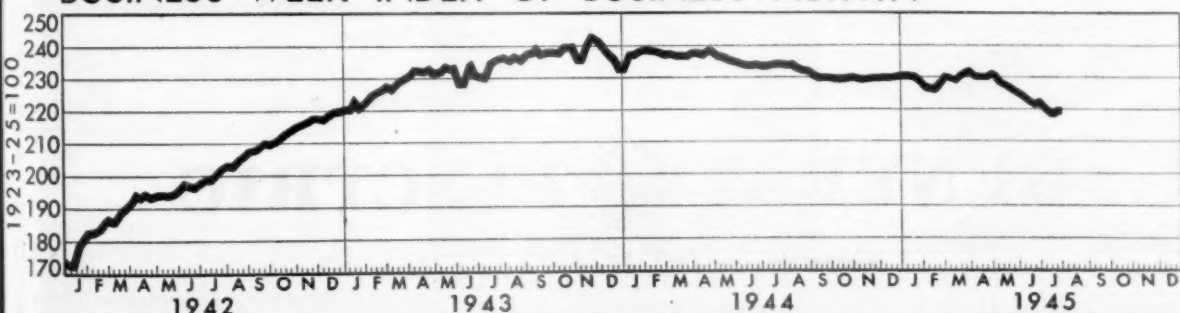
* Preliminary, week ended July 28.

† Revised.

‡ Ceiling fixed by government.

§ Date for "Latest Week" on each series on request.

BUSINESS WEEK INDEX OF BUSINESS ACTIVITY



DESERT GOLD

SOUTHERN DELIGHT
TURKISH NOUGAT
PUMPKIN PECAN

FROZEN DELICIOUS
SCHOOL-KID SPECIAL
PHILADELPHIA

TOASTED ALMOND

ORANGE
CREMO

MINT PINEAPPLE

MAPLE MARSHMALLOW

ROCKY ROAD

PEPPERMINT STICK

WOODLAND SWEET

DOWN THE HATCH!

It would shiver the timbers of an old-time seafaring man — to see ice cream served aboard ship in the middle of the ocean! There was nothing like that in the old days. Not even vanilla.

But in the old days, there was nothing aboard ship like today's compact, fast working, ice cream plant — with G-E Refrigeration Equipment. This unit was especially engineered to stand up under the rocking, rolling, pounding motions of a warship on duty. It was engineered for cramped quarters, where every foot of space is precious.

To meet special requirements of navy, army

and war plants . . . General Electric has pioneered new developments in refrigeration and air conditioning.

These improved techniques and equipment will be available for peacetime use . . . for process control of moisture, temperature . . . to maintain temperature and moisture content of raw materials and finished goods in storage . . . to cool or air condition any area, from a small but vital "control spot" to an entire building.

*General Electric Co., Air Conditioning Department,
Section 5868, Bloomfield, New Jersey.*

GENERAL ELECTRIC

Commercial Refrigeration

BUY and hold
WAR BONDS

Tune in: The "G-E HOUSE PARTY," every afternoon, Monday through Friday, 4 p. m., E W T, C B S . . . The "G-E ALL-GIRL ORCHESTRA," Sundays, 10 p. m., E W T, N B C . . . "THE WORLD TODAY" News, Monday through Friday, 6:45 p. m., E W T, C B S

Attlee Victory Alerts Business

British vote for Labor government stirs U. S. concern over industry nationalization, but first effects here may come from trade policy changes and prolongation of London's war controls.

What is going to be the effect on U. S. business of Labor's thumping victory in the British general election?

This has been an exciting question in the week since Britain's socialistic Labor party was swept into power in one of the greatest landslides in British electoral experience.

• **First Questions**—It hinges on other questions:

What kind of administrator is the new prime minister, Maj. Clement R. Attlee?

What does the Labor Party mean when it speaks of nationalizing industry?

Will it aim at productive efficiency and low prices, or will it seek higher protection?

How will a nationalized Bank of England differ from the present bank, and will the differences be good or bad?

• **Key Men Are Moderates**—First glib answers to such questions are likely to be reassuring.

The British are temperamentally cautious.

Key men in the government—Attlee, Ernest Bevin, and Herbert Morrison—are the moderates of the socialist movement.

Even the Churchill Conservatives were committed to nationalization of the coal industry, and no comparable moves in other industries can be attempted without parliamentary ratification.

• **Points for Appraisal**—Reflection, however, provides a more sobering appraisal of the advent of a Labor government in Britain at this particular time and of its probable effect on the long-term economic planning of the United States.

In the field of international affairs, to be sure, the new Attlee regime is committed to support all of the major issues to which Churchill committed Britain.

There will be no change in the plans for fighting the Japanese war to a finish. Britain's stakes in the Pacific are as important to Labor as to the Conservatives.

• **Shifts in Emphasis**—In Europe, also, Attlee will abide by the major commitments of Churchill, but socialist policies—frequently stated and without

equivocation—will make changes in interpretation.

Greek independence is supported, for instance, but not the return of the king. This will please Moscow and be welcomed by Washington.

Russia's demands for an immediate overthrow of the Franco government in Spain will have the full approval of the Laborites. Washington's willingness to delay the move until other more pressing problems in Europe are solved is likely soon to be overruled.

• **Pocketbook-Conscious?**—However, the new leaders in the Foreign Office have refused so far to declare themselves with equal frankness on the question of Argentina, though it is an exact parallel. If this is due to the fact that Britain's investments in Argentina are much greater, it indicates an expected moderation on the part of Labor at points where the British pocketbook would be seriously involved.

In the Middle East, where the Arab-Jew issue threatens to flare into open warfare any day, London is now expected to show a more realistic attitude toward the economic demands behind the racial issues.

In all these areas, the new leftist influence of London is no worry to the U. S. Up to this time, Washington has played in the international field the role of middle man between the extreme conservatism of Churchill and the radical demands for change by the U.S.S.R. Laborite Britain merely shifts now to the moderate position long held by the U. S.

• **Economic "Reforms"**—In the field of economics, London's new stand is less assuring.

The Labor Party is committed to a program of economic reforms keyed to the customary socialist slogan that this means a higher standard of living for everyone.

Herbert Morrison, most colorful member of the Attlee-Bevin-Morrison group which dominates party policy, indicated the election's pitch when he declared at the beginning of the campaign that "This election will determine who is going to organize the producing power of our country, and how, and for what ends. . . . If Britain needs to run some industries by public corporation, let them be run that way. Big industry has got to toe the line of public need. . . . Our program is what the Labor party roughly estimates it can carry out in the course of a full, five-year Parliament with a working majority."

• **Five-Year Plan**—What this five-year plan includes, as reviewed and revised at the last party conference in May, is summarized under a number of heads,



To the strong men of Britain's Labor Party, Ernest Bevin (left), new Foreign Secretary, and Herbert Morrison, party leader in the House of Commons, are assigned the all-important tasks of keeping Britain's foreign political relations on an even keel, of whipping Parliament into line on major issues.

all of which indicate that Britain is headed for a large degree of national planning.

Nationalization of industry already holds the limelight.

Coal, ailing since the last war and the subject of drastic legislation under even the Churchill government, heads the list. It is Britain's sole abundant raw material resource, one key to a sound heavy industry, and the country's largest single prewar export. Thus, Labor is likely to tackle the nationalization of coal production more energetically than would the Conservatives.

• **Bigger Program**—But coal represents only one phase of a far broader program covering all fuel and power—a program which Labor proposes to handle under a single new Ministry of Fuel & Power. Included in the plan are coal, gas, and electricity production.

For these it envisions public ownership along lines already in effect for the combined London transportation system. According to Labor plans, the Minister of Fuel & Power would appoint a National Coal & Power Corp. to own and supervise the administration of all industries concerned. Under this central holding corporation would be separate boards to operate each of the three industries involved.

• **Familiar Pattern**—If Britain generally seems unexpectedly complacent in facing this prospect (except that the London stock market slumped seriously this week), this is probably due to the fact that the British are familiar with something of this sort in the Central Electricity Board which, since 1926, has regulated the generation and transmission of electricity through a publicly owned grid system under the management of a board appointed by the Minister of Transport.

In that case, however, the government stopped short of complete ownership by allowing each power station to remain in the owner's possession. There is no indication that Labor intends seriously to interfere with this system.

• **Transport a Target**—The party's plan to pull Britain's transport system into one great coordinated pattern sets an example which may worry U. S. business more. Drastic action on the country's ailing coal industry has long seemed inevitable and its power is already under stringent government control.

Labor's declaration on transport at the last party conference said that "Coordination covers road, rail, air, and canal traffic, can be achieved only by unification, and unification without public ownership means a steady struggle with sectional interests or the enthronement of a private monopoly."

• **"Ripe" and "Unripe"**—Aside from these industries, Labor has made no

threat to nationalize. But on the whole issue the party makes this generalized statement:

"There are basic industries ripe and over-ripe for public ownership and management. There are many smaller businesses rendering good services which can be left to go on with their useful work. There are big industries not yet ripe for public ownership which must, nevertheless, be required by constructive supervision to further the nation's needs."

• **Earlier Worries**—Whatever the eventual repercussions on U. S. business of these drastic changes in industrial control, executives are more immediately disturbed by other proposed measures.

Two important points should be



Aristocrat, Socialist, and capable attorney, Sir Stafford Cripps as head of Britain's Board of Trade is in a choice spot to expedite expected changes under the new government.

noted which throw the British plans, for "revolution" into striking contrast with the upheaval in Russia.

Within the framework of government in Britain—and Labor has no mandate to operate outside that framework—no program on the vast scale of the present socialization program in Britain can be carried out overnight.

• **Fair Compensation**—Also, Labor plans for nationalization notably steer clear of the Russian pattern of confiscation without compensation. Even Harold J. Laski, the socialist firebrand, in his most vitriolic condemnation of Britain's "landed gentry," provides no

hint that he contemplates any shift away from the characteristically British stand that no property be expropriated without "fair compensation" to the owner.

Washington's postwar economic plans are geared to a greatly liberalized foreign trade which anticipates worldwide lowering of tariffs, reduction and ultimate removal of currency controls and foreign trade quotas, and a return to private trade.

London, as long as Churchill was at the helm, was pledged to support this program. Labor's stand, at least during the first few postwar years when its plans are on trial, is likely to be less reassuring.

• **Trade Agreement Threat**—Labor, for instance, has declared that, whenever necessary, it will give government help to put export trade on its feet. Washington reaction immediately is that a thorough-going subsidy system could kill any sound working of the reciprocal trade program.

In the face of the Bretton Woods plan to help put world currencies on a stable basis, Labor has declared that there must be no return to the gold standard or any other automatic and rigid foreign exchange system.

• **Prolonged Controls**—It is over the possibility of an indefinite continuation of wartime controls in Britain that U. S. business is most seriously concerned.

In the ten days that Labor has been in office it has already warned that food supply and distribution may need to be kept under government control in order to maintain adequate standards of nourishment in Britain.

Also, there is the warning that Britain must plan imports and exports in order that "first things come first." This sounds like the antithesis of what Washington expects, and wants, in the way of a return to freer foreign trade after the war. The capital is alarmed at one Moscow-like statement of policy from London: "State trading, as the war has proved, brings great benefits to the people." And, in another line: "Labor advocates maintaining wartime machinery for the allocation of materials and markets."

• **The Test Ahead**—Britain has clearly shifted sharply to the left with the election of a government committed to nationalization of basic industries, and the control of local and foreign trade by whatever means is necessary to insure the Labor Party's objectives.

The real test of what this means—both to British and to U. S. business—will lie in the success of the Attlee government in carrying out its reform measures while, at the same time, providing full employment and a rising standard of living in Britain.

Shipping: A Postwar Problem

With a merchant fleet representing about 60% of world tonnage, U.S. must weigh other nations' needs while adjusting its own requirements to the high cost of American operation.

For the second time in 25 years the United States has more merchant ships than it will know what to do with when the war emergency has passed.

The U. S. ocean-going merchant fleet will total nearly 60,000,000 deadweight tons.

How It Adds Up—This will be nearly five times as large as the U. S. merchant fleet at the start of war, and nearly three times as large as the pre-war British fleet.

It will be equivalent to 77% of the world's prewar merchant tonnage, and about 60% of the world's postwar tonnage.

It will chiefly consist not of privately owned vessels (about 90% of the fleet in 1940) but of government-owned ships (about 85% of the fleet today).

It will comprise—very roughly—25,000,000 tons of Liberties, 15,000,000 tons of tankers, 5,000,000 tons of "C" type (Maritime Commission) ships, 10,000,000 tons of Victories, and 10,000,000 tons of other general cargo and special purpose vessels, both old and new.

Still Unanswered—There are two salient questions, still unanswered, pronounced by the war record of sinkings, building, and government operation:

(1) What is to be done with America's surplus merchant shipping?

(2) On what terms will government-owned vessels be sold to private American firms, and what type and quantity will be scrapped or sold to foreign operators?

With respect to scrapping, it can be demonstrated (BW—Feb. 12 '44, p. 15) that an upward swing of about 20% in the volume of world trade might fully occupy the prospective merchant tonnage of the world (at the 1937 rate of ship use).

Economic Factors—It is inadvisable, and probably inconceivable, that 60% of world trade should be carried in U. S. vessels, because our shipping is more costly and to subsidize so large a fleet not only would be expensive but would deprive other nations of earnings from commerce which they need for purchases in the United States. Nevertheless, an upward trend in the proportion of U. S. trade carried in U. S. ships which fell from 51% in 1921 to 22% in 1939—is certainly in the cards.

One qualification should be made. While the total tonnage may not be

too large for possible world trade needs, the types of ships available will not exactly fit the pattern of cargoes moving in that trade.

• Surpluses and Shortages—It is certainly true that a surplus of slower general cargo (Liberty) ships will exist. It is probably true that there will be too many tankers, barring exceptional developments in the world petroleum pattern. There is unquestionably a shortage of fast special-purpose commercial carriers, cargo-passenger liners, and luxury passenger vessels.

Official pronouncements on the optimum size of the U. S. merchant fleet after the war focus on the span between 15,000,000 and 20,000,000 tons.

• More—or Less—A high level of U. S. foreign trade, with about 50% of it carried in U. S.-flag merchantmen, and a parallel increase in the requirements of coastal and intercoastal traffic, would require slightly more than the estimated 20,000,000 tons. Bad times would call for less than 15,000,000 tons.

Because the fleet which will survive the war cannot be expected to fit the requirements of U. S. shipowners, sur-

plus tonnage cannot be estimated by simple subtraction of U. S. needs from total tonnage remaining. Similarly, government policy on ship disposal will effectively determine the tonnage U. S. shipowners will purchase, build, or acquire abroad—as well as the amount of U. S. tonnage which will be scrapped, laid up in "sanctuary" as a defense reserve, or sold to foreign operators.

• Up to Washington—Thus the answers to most questions raised today must await decision on the Bland ship disposal bill when Congress convenes in the fall. And there are other factors influencing ship company plans which rest upon government policy, including rate control and route authorization. Few shipowners today would admit that their postwar planning is anything more than a series of conjectures.

Furthermore, the degree of indecision varies among shipowners with the type of fleet they operate and the cargo they customarily carry.

• Different Viewpoints—An industrial carrier, such as Alcoa Steamship Co., may be less concerned with government ship disposal policy, for instance, than with the prospective level of aluminum consumption in the U. S. and elsewhere, and with government policy regarding disposal of war-built aluminum reduction and fabricating facilities.

Coastal and intercoastal operators are fogbound until they know more about how much ship replacements will cost, and what their profit margin is likely

IT TOOK IT

Just what would happen if a bomb or large plane struck the world's tallest structure—the 102-floor Empire State Building—has long stirred public imagination. Last week the public found out. A fog-bewildered B-25 Army bomber pilot crashed into the 79th floor—the impact of ten tons at 250 m.p.h. Modern construction proved that it could take it; the accident cost 13 lives, started a lofty blaze, but the hole where the plane struck (right) was barely visible from the street. Engineers could find no major structural damage except two bent spandrel beams. Chief havoc was in a bank of four elevators wrecked by one of the plane's two engines. Insurance companies will apparently cover the estimated \$500,000 damage, then seek to recover their losses from the War Dept.—a procedure that will involve congressional action.



to be if and when the Interstate Commerce Commission permits rate revisions.

• **Uncharted**—Unsubsidized operators on foreign trade routes cannot plan ahead until they know replacement costs and how large a building and operating subsidy may be given to lines with which they are frequently in competition.

Finally, subsidized operators are at sea until they know more about ship costs, the size of government bonuses, the intensity of competition, and the level of cargo-volume moving in reopened trade routes.

For nearly all types of company, ship replacement is of crucial importance.

• **Wartime Losses**—When the U. S. entered this war, about 80% of ships in the American fleet were "over-age"—more than 20 years old—despite the mounting progress of the U. S. Maritime Commission's build-and-scrap program, started in 1937. At least a half of the old ships failed to survive the rigors of war, and a major part of the losses was sustained by private operators who have since been unable or unwilling to undertake replacement in wartime.

However, the experience of individual companies has been varied.

Before the war in Europe, the Alu-

minum Co. of America carried most of its bauxite in foreign-flag ships. When these were diverted by war, the Alcoa Steamship Co. began to acquire ships. It had purchased 24 by December, 1941.

• **Modern Ships Acquired**—Of this war fleet, Alcoa lost 15 ships (mostly launched in 1919) or nearly two-thirds of its total tonnage. Meanwhile, Alcoa has acquired six cargo carriers of modern construction. Of course, like most American operators, Alcoa has been operating not only its own vessels but a fleet of government ships.

Alcoa's compensation money has not been salted away in a tax-free replacement fund, but fleet expansion is in the wind. How soon, and by how much, depend upon a number of imponderables currently puzzling company experts. Cargo-passenger operations in the Caribbean and a new-type carrier are among quietly discussed postwar plans at Alcoa.

• **Isthmian's Experience**—Another operator, Isthmian Steamship Co., lost half its tonnage during the war—13 vessels sunk, most of them built in 1920 and 1921 at the tail-end of the last-war building splurge. So far, none of the lost ships has been replaced.

The United Fruit Co., acting as agent for the government in the operation of

35 of its own ships and 48 government-owned vessels, lost ten of its refrigerated ships (a majority of them built before 1912, but still in good condition). Eleven company ships are being operated by the U. S. Navy as fleet auxiliaries. The company has received delivery on two of six reefers scheduled for completion in 1945. Three more are to be built according to present plans which may soon be revised upward.

• **18 Out of 32**—Among the general cargo unsubsidized operators, the A. Bull Co. lost 18 out of 32 ships with which it started the war, and many other company lost a sizable proportion of its tonnage.

Lykes Bros., operating a few ships in the coasting trade but primarily sailing subsidized routes to foreign ports, lost about one-third of a 40-ship fleet. When war came, the Lykes line was in the process of modernizing its fleet under a plan of trade-in and replacement worked out with the Maritime Commission. The company has 24 new ships costing \$30,500,000 in operation now, and will accept delivery of nine more costing \$14,440,000 this year. Seven ships to complete the program are yet to be acquired. In addition, the company is operating 71 ships for the government.

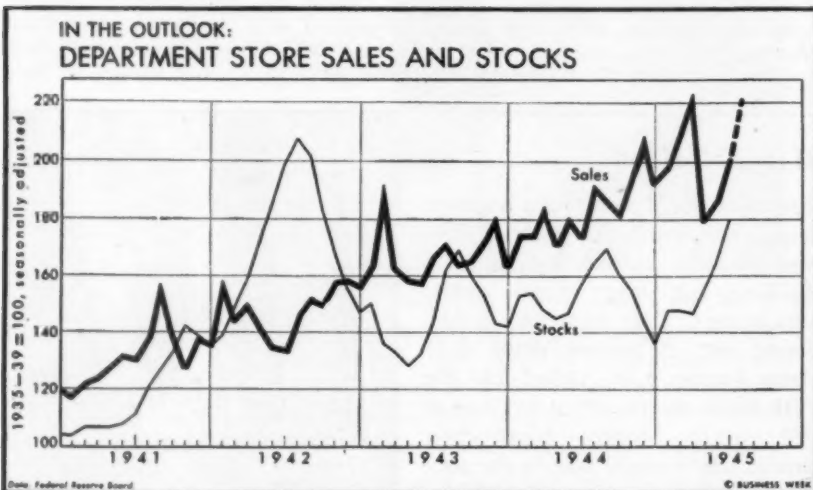
• **Tankers a Problem**—The American tanker fleet, a vital adjunct of U. S. power, will emerge from the war with its numerical strength, carrying capacity and speed vastly increased. Its future is a major, and perplexing, problem.

By the end of 1941, the U. S. tanker fleet consisted of 382 units of nearly 4,250,000 tons. Construction, to July 1, 1945, has totaled about 760 units of 10,380,000 tons. Sinkings, exclusive of losses among tankers operated by the Army and Navy (withheld for security reasons), amount to roughly 1,500,000 tons. The U. S. flag fleet today (including an estimated 2,000,000 tons of 3,000,000 tons operated by the military) totals 10,911,000 tons.

Thus the American tanker fleet is now about equivalent to 80% of the total world tanker fleet before the war. With another 1,800,000 tons due to be built in the next 18 months, this percentage may rise to 90% provided casualties are not unduly heavy.

• **Oil Companies' Showing**—The fleet of Standard Oil of New Jersey lost 2 vessels, but, due to wartime purchases, is today equipped with as much carrying capacity as it had in 1939. In addition, it has traded in 15 of its older ships (still in operation, owned by the government) and is acquiring more 18,000-ton 15-knot vessels. Standard has lost more than a dozen of its foreign-flag carriers.

The Texas Co. entered the war



This spring's sudden drop in consumer buying seems to have been a temporary phenomenon. Among its causes probably were: (1) reaction from the record buying spree at Easter; (2) public realization that victory in Europe was near, coupled with the mistaken notion that scarce goods would be back soon; (3) consumers' price resistance, particularly to ersatz merchandise; and (4) shoppers' disappointment at relatively bare shelves. The sales comeback of the last three months, therefore, is not too surprising. The rise in stores' stocks, however, is truly spectacular in view of the many types of goods that just aren't to be had. It is almost certain that luxury items, such as furs and jewelry, coupled with widespread price rises, fatten the figures. And, now that consumer incomes are beginning to point downward slightly, the trend of sales will tell if spending is tending toward recklessness and inflation.

Wallace's Design

With help of Schindler, the secretary hopes to be able to sell a reorganized Dept. of Commerce to U. S. business.

While other Truman cabinet appointees have pressed vigorous reorganizations hard upon their debut, Henry Wallace—whose appointment in March was one of Franklin Roosevelt's last acts—has played possum in the Commerce Dept.

This lull should not be mistaken for inertia. It is part of Wallace's deliberate program to give himself plenty of time to butter up Congress and the business community before undertaking an active reorganization. Wallace is well aware that the suspicions of these two groups—bred of his position as the leader of the New Deal's left wing—have placed him under a double handicap.

• **A Working Team**—To help him lay this antagonism, Wallace has enlisted Alfred Schindler, St. Louis businessman and salesman extraordinary (BW—Apr. 14 '45, p. 7). Schindler reminds skeptical visitors that he served for 16 months under conservative Jesse Jones, who was ousted as Secretary of Commerce to make room for Wallace. As a former Jones man, Schindler is not one to participate in an unsound proposition.

Despite the divergence in their political backgrounds, Wallace and Schindler get on well. Together they attend weekly luncheons of Washington's Latin-American colony. Wallace's interest in the other American republics stems from the days when, as Vice-President, he was the Administration's good-neighbor-at-large.

In the realignment of the Commerce Dept., Wallace's big job will be that of organizing and expanding its various services to enhance its usefulness to business. Schindler's job will be to propagate Wallace's work and to convince business that it has much to learn from a man who has been the hero of the C.I.O.'s Political Action Committee.

• **Field Staff a Problem**—Schindler will have the primary responsibility for expanding the department's undernourished field staff and turning it into a counterpart of the Agriculture Dept.'s extension service capable of making Wallace's program effective at the grass roots.

Wallace will have his plans ready to lay before Truman when he returns from Potsdam. They have three main objectives:



FRANCE, ENGINES OF PEACE

hol of progress—albeit a small one—in the long reconstruction pull ahead, 4,000-hp. electric locomotive, with a speed of 70 m.p.h., is being readied for the Paris-Marseille run. Destruction of the railroads was one of the most crippling blows the war dealt the French economy. With some 7,000 of its prewar locomotives knocked out—largely by Allied bombings—it had more than the 2,000 that came in with the U. S. Army to get the system operating again. Railroad reconstruction—further complicated by redeployment requirements—heads France's rehabilitation agenda.

with 27 ships, lost six, and purchased nine new vessels. After nearly a half without a loss, a Texas tanker—one of its best—was torpedoed Mar. 28, 1945, just a month before the European war ended.

• **the Sinkings Meant**—The stark tragedy of 570 ships lost from direct causes do not reflect the drama of the tragedy which accompanied each day, the 5,579 dead and missing merchant seamen, or the serious operational problems imposed upon nearly 100 American shipping firms.

about 30 of the vessels were built in the last war, more than 200 were built in 1917-21, another 50 were built in the interwar years, and the remainder were built during the present war. From a practical point, war losses eliminated hundreds of over-age vessels and hundreds of emergency ships cargo carriers built in the last five years, leaving the U. S. fleet more modern and adaptable in each category.

• **the Cards**—It is clear that America must retain in operation the most efficient ships in a fleet adapted to its trade needs, that the military will set aside a second line of auxiliary vessels, that disposal to foreign operators will be handled with care and a view to competition with U. S. lines, and that the bulk of the scrapping will be of over-age and war-worn Liberty ships.

Starting from the fact that high building and operating costs in the U. S. prevent free competition with foreign ship operators, and that without government aid a strong merchant marine could not profitably exist, determining who will get U. S. surplus ships, and how much aid U. S. operators will receive from government, becomes of critical importance. Ship disposal plans are in the hands of the House Merchant Marine Committee. The question of subsidy is raised by proposals to aid purchasers of surplus ships.

• **Far-Reaching**—The problem is broader than any of the approaches to its solution to date. Involved are not only questions of building and operating differentials, and policy on liquidation of a burdensome surplus of tonnage, but determination of what constitutes a safe military reserve, and supervision of route authorization, conference rates, and domestic ICC rates on coastal and intercoastal operations.

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(1) Stimulation of foreign trade. When Herbert Hoover was Secretary of Commerce, Julius Klein (who played Schindler to Hoover's Wallace) succeeded in stimulating a high level of exports in the teeth of the Hawley-Smoot tariff. Wallace, the agriculturist, will attempt to put this country's foreign trade on a "sustained yield" basis, examining those areas in which imports can be increased with the least danger to domestic business, so that our export trade will not starve for the lack of dollar exchange abroad.

(2) Integration, expansion, and dissemination of the department's statistical and technical aids to business, particularly small business. Wallace intends that such agencies as the Census Bureau, the National Bureau of Standards, the Weather Bureau, and the National Inventors Council shall work together—and for business.

(3) Implementation of the Administration's program for a full-employment, high-income economy—the 60,000,000-job goal. Wallace's staff will study the potentialities of "contra-cyclical" activity by the government to brake any incipient business decline—the use of fiscal policy (taxes, social security, and—as a last resort—public works) to keep the economy on an even keel. In this area, Commerce's role will be advisory, not administrative. Robbed of the federal loan agency's moneybags (because Congress feels that Wallace is safer on a short allowance), the Commerce Dept. will not have the funds to attempt to spend the country into prosperity.

• **Some Housekeeping**—To carry out this three-point program, Wallace and Schindler must do some housekeeping. If Truman and Congress approve, they will create three assistant secretaryships for foreign commerce, domestic commerce, and small business. These jobs will be primarily promotional. They will probably be filled—if high-caliber talent can be attracted—by businessmen. To backstop the assistant secretaries, the present Bureau of Foreign & Domestic Commerce will be revamped to give it new stature as a policy-forming agency—the department's brain trust.

Wallace has his eye on sundry war-time agencies. He would like to absorb Maury Maverick's Smaller War Plants Corp. as a part of his small business program. Apparently, Truman approves this plan, but Maverick is not happy—although he has been promised that he will be taken care of elsewhere in the Administration.

• **Foreign Trade**—Wallace also wants to strengthen the department's foreign trade program by gathering in the Foreign Economic Administration. Here



KILLER AT LARGE

The war's publicized chemical, the insecticide DDT, went into the hands of the public this week—in limited quantities and with a warning. To be released at the rate of several thousand pounds a month by War Production Board order, the initial civilian



his ambitions are almost certain to run athwart those of Secretary of State James F. Byrnes, although Commerce and State are now working toward a modus vivendi with respect to the consular service, which has had to serve two masters and which has satisfied neither.

The Commerce Dept.'s statistical and technical services have a peculiar

supply will be for such essential uses as farmers and cattlemen. Pennsylvania Salt Mfg. Co., a major producer, points out that concentrated DDT diluted as much as 30 times to make the usable product, therefore the amount reaching the market will be far greater than the WPB order indicates. Meanwhile, Dept. of Interior scientists (above) are continuing experiments to determine whether DDT that kills mosquito larvae also kills the fish that eats the larvae; the Dept. of Agriculture, admitting it has much to learn about the chemical, warns the public to use care. And just how the new order will affect Wallace Steuber (left), young Philadelphia chemist, is yet to be seen. Weeks before it was issued WPB was reported to have issued another restraining order from offering DDT—or a reasonable facsimile—for sale in shops near home. He reputedly worked out the formula, was making the insecticide in his basement from nonprior materials but WPB put its foot down, terming such sales unfair to firms that are denied civilian output.

appeal for Wallace, himself a statistician. He would like to revamp the census setup so that, for example, the biennial census of manufactures and the decennial census of distribution would give way to a quinquennial census, both, with a vigorous current program in between. Commerce would like to take over, and modify, many of the

statistical series built up during the war by WPB, OPA, and other agencies.

Information Program—To insure that the department's work is exploited (in form useful to the average businessman), Wallace will foster a vigorous information program under Bruce Catton, who held a similar job in WPB.

In the main, the reorganization will be accomplished with few staff changes. Casper Ooms already has replaced Conway Coe as Commissioner of Patents (BW—Jul. 21 '45, p. 7). Wallace is seeking a young and vigorous replacement for Dr. Lyman J. Briggs, chief of the Bureau of Standards.

In building up his brain trust, Wallace is drawing heavily on such members of the department's present staff as Philip N. Hauser of the Census Bureau. In making future appointments, he can be expected to steer clear of anyone whose past associations make him suspect to business.

Must Win Congress—All this activity will require congressional authorization of one sort or another, but Wallace's relations with Congress seem to be on the mend.

Business has yet to be convinced that Wallace has got religion. Wallace knows that he must have the support of businessmen, if he is to do a job. This is where Harry Hopkins, another New Dealer who tried to breathe life into the Commerce Dept., stubbed his toe.

Crude Oil Peak

Despite record production, civilians aren't likely to get more gas. Pacific war demands mean an over-all deficit.

Domestic crude oil production is now at record high levels—not far from 5,000,000 bbl. a day; refinery capacity is no longer a limiting factor; and at least a temporary release of tankers from European service has cleared the transportation choke-point. Nevertheless, both the Petroleum Administration for War and OPA are trying to drive home the story that there won't be additional gasoline for civilian motorists while the war continues.

• Not Only Gasoline—V-E Day brought a drop in military requirements for gasoline. At the same time, a substantial number of tankers became available for moving gasoline from the Gulf Coast to the Atlantic seaboard, and the "little big inch" pipeline began pumping a greater volume of civilian gasoline to the heavily-consuming East Coast area. Result: Last June "A" card values were increased 50% (from 4 gal. to 6 gal.) and the "B" card allowance was lifted to a maximum of 650 mi. a month throughout the country.

But the Army and Navy do not fight

with gasoline alone. They need fuel oil too—diesel oil for landing craft, bulldozers, submarines; Navy special fuel oil for fleet operations; straight residual fuel oil for transports and cargo vessels. Indeed, so great are the quantities needed that the fight in the Pacific is being called a "fuel oil war."

• Longer Hauls—The statistical evidence is eloquent:

In contrast to the 3,000-mi. haul from New York to the United Kingdom, it is 11,000 mi. from the Gulf Coast to the Philippines.

To deliver 100,000 bbl. of gasoline from the Gulf Coast to the Pacific theater, including fuel for the return trip, 21,000 bbl. of fuel oil are required as against 8,000 bbl. for the trip to Europe.

Since Pearl Harbor, the Navy has multiplied more than 30 times—a vast floating tonnage that has to be maintained.

The United States Third Fleet, the greatest naval force ever known, is now moving faster, ranging farther, and striking greater blows than any other fleet in history.

• One Front Equals Two—All this adds up to tremendous quantities of fuel oil—as well as gasoline, lubricating oil, and other petroleum products. When maximum military requirements again are reached, possibly in the first quarter of 1946, the one-front war will be demanding as great a quantity of petroleum products as the two-front war did at its peak. On top of that, there will be civilian requirements to take care of, as well as shipments to liberated Europe.

All told, the Petroleum Industry War Council estimates that requirements for petroleum products will average some 5,480,000 bbl. a day over the remainder of the year and that this will increase to roughly 5,720,000 barrels daily in the first quarter next year. To help meet the demand, refineries will be squeezing more fuel out of each barrel.

• Yield Increases—Last year, with the United States fighting in Europe as well as the Pacific, the industry was called on, in effect, to produce an average of 19 gal. of fuel oils out of each barrel of petroleum (1 bbl. equals 42 gal.). Today the call is for 20 gal. and this is expected to increase next year. (Before Pearl Harbor, production of fuel oils averaged 18 gal. per barrel.)

Raising the yield of fuel oil is at the over-all expense of the remaining products that come out of the typical barrel of petroleum—aviation gas, lubricating oils, asphalt oils, automotive gasoline, etc.

• To Call on Stocks—Whatever the pattern of refinery output, it can't supply



BURMESE WARTIME TEXTILE HARVEST

In a morass of ropes and cloth, Burmese workers reap a rich harvest of parachutes which have been used to land cargo for the combat forces on the Burma front. If perfect, the 'chutes are put back into military service; if not, the salvage is shunted into commercial channels, chiefly for export. Transport aircraft last year flew 550,000 tons of freight to Allied forces in Burma, of which 80% was delivered by parachute—an operation blazing the way for postwar commercial parachute deliveries into remote and inaccessible areas.

enough of all the petroleum products needed. P.I.W.C. figures indicate that requirements over the remainder of the year will exceed new supply (production plus imports) by approximately 90,000 bbl. a day, with the indicated deficit rising to some 345,000 bbl. daily in the first quarter next year. The difference between requirements and new supply can be made up largely from stocks on hand.

In calculating over-all supply and demand, PAW planned on such a development. As more and more gasoline, fuel oils, lubricating oils, and other petroleum products are consumed by the Army, Navy, industry, and civilians, stocks in various regions of the country will be allowed to decline to so-called

minimum working levels—that is, to the points at which petroleum refining and shipping operations in a given area can continue without interruption. But the balance between supply and demand has been planned on a tight-rope walker basis.

• **Reserves Threatened**—For example, if imports of crude—including shipments from Burma, Northwest Borneo, and Tarakan—do not increase as planned, domestic output will have to be pushed to even higher levels. As present plans shape up, domestic output should be tapering after the current quarter because the present pace is at a punishingly high level, some 200,000 bbl. a day too much if our future oil reserves are to be protected.

Also, in trying to match up supply and demand, no provision was made for fires, strikes, or any other possible work stoppages. The military did its part by dropping an earlier requirement for accumulating a strategic reserve of aviation gasoline equal to about a month's supply.

• **Delicate Balance**—Or from another angle: Crude stocks on the East Coast are now at about 17,400,000 bbl. When demand in this area reaches its peak, the total stocks are expected to drop to some 15,500,000 bbl. This is the minimum working level; if the drop is greater, refineries will begin to close for lack of crude.

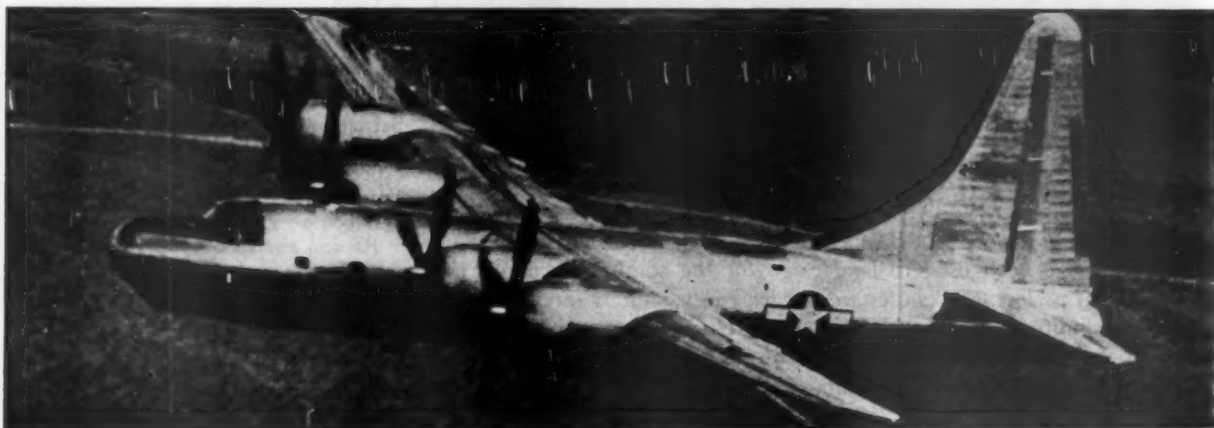
The striking illustration of just how delicate this balance is may be seen in



PROPLESS, WINGLESS, AND TOUGH

Emerging from censorship, three new aircraft make their public debut: the propellerless jet-powered P-80, the tandem-rotored twelve-passenger PV-3 helicopter, the four-engined superbomber designed especially for Pacific duty. Reported to be the world's fastest plane, the jet-propelled Shooting Star is a product of teamwork by the Air Technical Service Command, Lockheed Aircraft Corp., and General Electric Co.—the latter having developed the kerosene-burning engine. The P-80's speed is reported

"in excess" of 550 m.p.h., has a ceiling "well above" 45,000 ft., carries auxiliary fuel tanks on its wingtips for increased range. The 48-ft. helicopter is a product of Philadelphia's P-V Engineering Forum, Inc., was designed for naval transport, may be forerunner of commercial models. Consolidated Vultee's B-32 bomber is probably the last new, big bomber to be made in quantity for this war. Smaller than the B-29, it sacrifices pressurized cabins for a large, single bomb bay, oxygen masks being used on brief altitude runs. It is fast but lands in 1,500 ft. due to the braking power of reversible propellers.





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from the CARDOX case record

Out of actual fire experience comes evidence of the ability of Cardox Fire Extinguishing Systems to protect tough fire hazards. Consider File S-37 covering a vicious airplane engine test cell fire.

"Fire was caused by breakage of cylinder exhaust stack at the flange. Fire started within the barrel. Consequently it had a good start before it was noticeable.

"The Cardox System was put into operation by means of the push-button station located in the control room. Loss due to fire was held to the engine fuel and oil lines, thermocouple leads, tunnel hose and the leather cowl.

"Members of the fire department were impressed by the speed and effectiveness of the Cardox System . . . partly due, no doubt, to the fact that during the previous week, fire in a test cell *not protected by a Cardox System* had completely ruined both the cell and the engine under test."

The danger spots in your plant may not be similar to the one described in File S-37. But, if, for example, they involve flammable liquids or electrical equipment, Cardox offers maximum protection with fast-acting, non-contaminating carbon dioxide . . . in pounds for small fires . . . and tons for large ones!

For all Cardox Systems have one outstanding characteristic which greatly

increases the scope of usefulness and performance value of carbon dioxide. This characteristic is the distinctive Cardox method of control and engineered application of liquid CO₂, stored at 0°F. and 300 p.s.i. in a single storage unit containing from ¼ to 125 tons . . . enough to handle large fires in single or multiple hazards and leave an ample reserve for new emergencies.

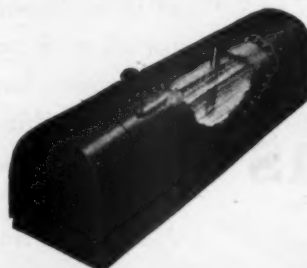
If you have fire problems that are hard to handle, low pressure carbon dioxide can frequently provide the effective answer. A study of your specific fire hazards by Cardox Research Division and Engineering Staff puts you under no obligation. Write for Bulletin 1185.

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Cardox CO₂ is supplied instantly in pounds or tons from a single Storage Unit containing 500 pounds to 125 tons at controlled low temperature of 0°F and 300 p.s.i.



the statistical position of civilian grade gasoline:

Reflecting the push after V-E Day to build up supplies while transportation was available, stocks of civilian grade gasoline throughout the United States reached approximately 47,000,000 bbl. at the end of June. Granting extra gas to civilians was made possible only by allowing for a drop of about 6,000,000 bbl. in this figure by the end of the third quarter; the remaining 41,000,000 bbl. would then represent the minimum requirement for that time of the year. PAW maintains that, if the motoring public exceeds its allocation by even a small percentage margin each month, some areas will run out of civilian grade gasoline by the end of the year.

• **Overconsumption Seen**—Two months still to go in the current quarter, it is too early to establish definitely whether civilians are using too much gasoline. The flow-back of gasoline coupons to OPA takes about two months, and PAW's figures on withdrawals from refineries do not necessarily tell the real story—gasoline could be going into dealers' storage tanks. Still, it's a good guess that civilians have been over-consuming again, and recent press reports tend to substantiate this supposition.

Even aside from the validity of this guess, more gasoline will go into civilian auto tanks this year than at any time since 1942. On a daily basis, the 1945 average will run to an estimated 1,350,000 bbl., some 12% more than the low point in 1943:

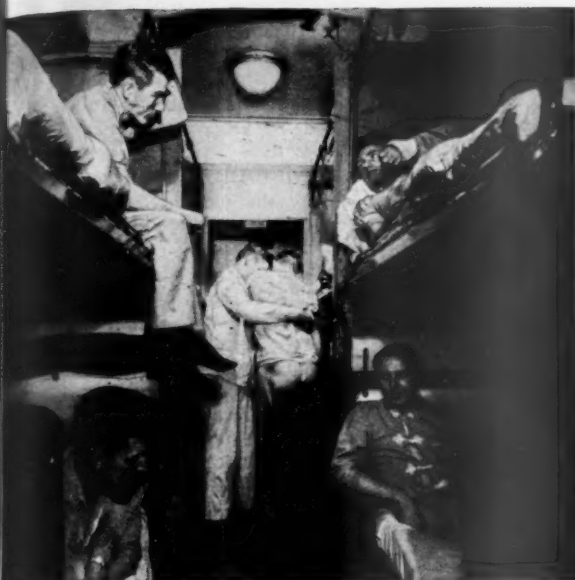
Estimated Consumption of Civilian Grade Gas (Bbl. Daily)

1941	1,700,000
1942	1,500,000
1943	1,200,000
1944	1,300,000
1945	1,350,000

The average of 1,350,000 bbl. daily assumes that civilians will continue to get the same value for their "A" and "B" cards as they get today. That is the assumption on which both PAW and OPA are going on at present.

• **Little High Octane**—Until the supply of metallic lead—used for making tetra-ethyl lead, among other war products—eases up, almost all of this gasoline will continue to rate 70 octane; and the portion of premium gasoline produced for civilians at 75 to 76 octane will be extremely small.

As things now stand, only a quick victory in the Pacific would open up the possibility of more gasoline for civilians this year. If the war is a long one, this possibility moves over into 1946, with main reliance upon a reduction in military requirements, an unexpected boost in foreign supplies, or both.



Many wounded veterans going to general hospitals . . .



travel in regular Pullman sleeping cars.



This makes their trip as comfortable as possible, but . . .



sometimes makes it hard for others to get Pullman space!

There's the shift to the Pacific, too!

The pictures of the wounded men above—taken en route by permission of the War Department—help explain why the travel situation is more critical than ever.

But these pictures tell only part of the story.

In addition to the many sleeping cars Pullman is privileged to provide to transport American wounded to

hospitals in this country, many more cars are needed to carry out the greatest mass movement of troops in history. The need is increasing daily.

More than a million fighting men will cross America this year. Many thousands of them will travel in Pullman comfort. Many will make side-trips home on furlough, too, before going "on to Tokyo".


So the military load on trains will probably be greater—for the next few months at least—than at any time since we have been at war!

If you have to take a trip—and should find it hard to get the Pullman space you want exactly when you want it—please remember that Pullman's war job isn't over, either!

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New Auto Team

Joint venture of Kaiser and Frazer surprises Detroit, which discounts the competition, especially on West Coast.

Having completely surprised the automobile community with announcement of their new passenger car company, shipbuilder Henry J. Kaiser and Graham-Paige Motors Corp. are hard at work on plans to get cars into dealer showrooms by next spring.

• **Two Price Ranges**—Out of the Kaiser plants at Oakland, Calif., will come the Kaiser (BW—Jul. 21 '45, p. 78), a lightweight car planned to sell under \$1,000, lineal descendant of the jeep which the West Coast industrialist brought along too late to sell to the Army.

From the Graham plant in Detroit will emerge the Frazer, somewhat larger, aimed at the market between \$1,000 and \$1,500. The Frazer, named after Joseph W. Frazer, chairman and newly elected president of Graham, is now being designed by engineer William B. Stout, on loan as a consultant from Consolidated Vultee Aircraft Corp. It will be lightweight, advanced but not radical, and possibly rear-engined, as may the Kaiser.

• **New Corporation Formed**—The appearance of the Frazer means the end of the Graham-Paige nameplate, born of the entry a decade back of the Graham brothers, truck builders, into the venerable Paige Motor Co.

The realignment also means that Graham-Paige as a company will not be an automobile producer, although it does plan to build a tractor, the Roto-Tiller, at its Warren (Ohio) plant. The corporate manufacturer of the Kaiser and the Frazer will be the newly formed Kaiser-Frazer Corp.

The new corporation, capitalized for 5,000,000 shares of \$1 par, is today little more than a name. Paid-in capital is small, the exact amount unrevealed, and was advanced by Kaiser and Graham-Paige, each a half-owner of its stock. Its assets are mainly the brains and know-how of Kaiser and Frazer.

• **Guided by Bankers**—But behind the new company is the definite interest of the Gianninis, kingpins of the West Coast's banking world.

A. P. and Mario Giannini (of the Bank of America) brought Kaiser and Frazer together and helped them set up a quickly engineered deal. While Frazer was touring the West Coast recently studying aircraft-making possibilities and building up a Graham-Paige dealer organization, he lunched with

the Gianninis. Because they were seeing auto industry activity on the Coast they urged him to talk with Kaiser. He did, and the deal followed.

• **Flurry of Disclaimers**—In New York Floyd B. Odum professed ignorance of the deal which put a company in which his Atlas Corp. investment firm has a sizable stake (BW—Aug. 12 '45, p. 72) into close relationship with the Kaiser enterprises. Odum said the presence of L. Boyd Hatch and Oswald L. Johnson of Atlas on the Kaiser-Frazer directorate was their affair.

Frazer denied that the entry of Stout on loan from Consolidated Vultee, had any significance as regards a possible interest of Aviation Corp., which owns about 30% of Convair stock. Frazer explained that Stout will consult with Graham-Paige while he continues his duties as a researcher for Consolidated.

• **Big Surprise**—The stock market revealed that Detroit and Wall Street were caught off balance by news of the new venture. Not until the day of the announcement did Graham stock become active, and then mildly, closing at slightly under \$8, up nearly \$1 the day. But the next morning, following the overnight news, it opened with a block of 40,000 shares at \$8.75 and, by Monday, had gone above \$10.

Detroit, with a familiar skepticism about competition, reiterated its often expressed view that volume market



Joseph W. Frazer, the man who went to dinner with Henry Kaiser—ended up with an automotive teammate



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- AND INCREASED OPERATING EFFICIENCY

Starting with a mere handful four years ago, "work music" has already been adopted by perhaps one out of every four American manufacturers capitalized at half-a-million, or more—and by many, many smaller concerns. The results have been really remarkable, and in no case, to our knowledge, has "work music" ever been discontinued, once it has been tried. A large plant in Minneapolis is reported to estimate that for every dollar it has invested in "work music" programs, \$84 have been saved. Controlled tests at this plant showed an 8,494 man-day saving in 7 months.

From the very start of this development, Stromberg-Carlson Sound Systems have been used to carry selected programs of "work music" to workers in plants of every type and size. We urge any executive interested in the most efficient utilization of labor and/or the improving of employee relations, to let us tell him the whole story in a personal interview. Then, if he desires, we can show him specifically how work music could be best put to use in his own plant. Stromberg-Carlson Sound Systems are now available promptly under priorities, and shortly may be expected to be generally obtainable. Ask your local Stromberg-Carlson Sound Equipment distributor to get in touch with you—he's listed in the classified section of your telephone directory. Or write us directly, asking for your copy of our Booklet No. 41, Sound Equipment Division, 100 Carlson Road, Rochester 3, New York.



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AND SHAPED WIRE • ELECTRICAL WIRES AND CABLES • WIRE CLOTH AND NETTING

would be difficult for an auto producer west of the Rockies as long as the proportion of the nation's population continues small there.

As for the Graham-Paige end of the picture, Detroit car makers wonder about machines and equipment and expressed the belief that the Frazer would be largely an assembly job.

New Tire Quotas

Cut in the allotment for heavy trucks and buses points up pressing problem. Shortages of labor and components persist.

America's rubber industry still isn't out of the woods productionwise, but the forest is thinning out. Another six months or so should find the going easier, with an adequate supply (if not a surplus) of tires.

• **Truck Tire Deficit**—However this encouraging outline of the nation's tire picture offered meager consolation to heavy truck operators and nonessential passenger car users who need tires now if they are to keep their vehicles rolling.

August tire quotas, just announced point up the immediate problem. The 2,500,000 passenger car tire allocation continues supplies at the same level as in June and July—barely sufficient to meet essential civilian needs. The same is true of the 386,862 small truck quota. But truck tires size 8.25 in. and larger (where the supply situation continues tightest) were cut in quota from July 234,308 to 200,000 for August.

• **Out of Service?**—More heavy truck and buses may, therefore, have to be pulled out of service at least temporarily—which won't help the current tight transportation situation.

The War Production Board's 1946 tire goals, as now set up, call for 20,300,000 truck and bus casings, 2,300,000 farm implement tires, and 25,000,000 units for passenger cars.

Minimum civilian requirements for replacement purposes are for 6,300,000 truck and bus tires, 20,000,000 passenger tires, and 733,000 farm tractor and implement tires—to which must be added whatever casings are needed for new vehicles as production gets underway.

• **Immediate Problems**—But, while minimum screened requirements for tires will be less than scheduled output, deficits will continue in the larger sizes during the last half of the year.

Chief immediate problems facing tire makers (some may continue to plague them for months) are:

(1) Manpower shortages, aggravated

by strikes. Tire plants generally have gone from a seven-day to a six-day week in an effort to cut absenteeism and increase worker efficiency. Manpower needs nearly two months ago, before this change in the work-week, were set at 8,606 workers, half of them for truck and bus tires, the rest for major components: cotton cord, rayon, reclaim rubber, and chafer fabric plants.

(2) Component shortages. These stem mostly from manpower needs. Rayon tire cord is and will remain tight, despite new facilities and efforts to bring existing plants to capacity output. Cotton textiles for footwear, tape, hose, belting are short of needs. Chafer fabric supply has improved.

• **One Bottleneck Removed**—Carbon black, a bottleneck earlier in the year (BW—Mar. 17'45, p19), is well along toward becoming an export item. John Collyer, who returned last month to his post as president of B. F. Goodrich Co., said in his valedictory report as special director of rubber programs for the WPB that current plant construction will give the U. S. a capacity of 122,000,000 lb. of carbon black monthly, enough to meet domestic needs and provide 17,000,000 lb. for export.

Natural rubber still is a big question mark. Collyer termed it "the most serious single obstacle to attainment of 1946 production objectives."

• **Irreplaceable Ingredient**—Synthetic rubber needs in 1946, estimated at 907,295 tons, will be met, but natural rubber still is an irreplaceable ingredient to the extent of about 15% of the nation's total rubber needs. By the end of this year our natural stockpile will be down to 66,000 tons—and 138,194 tons, at a minimum, will be needed in 1946.

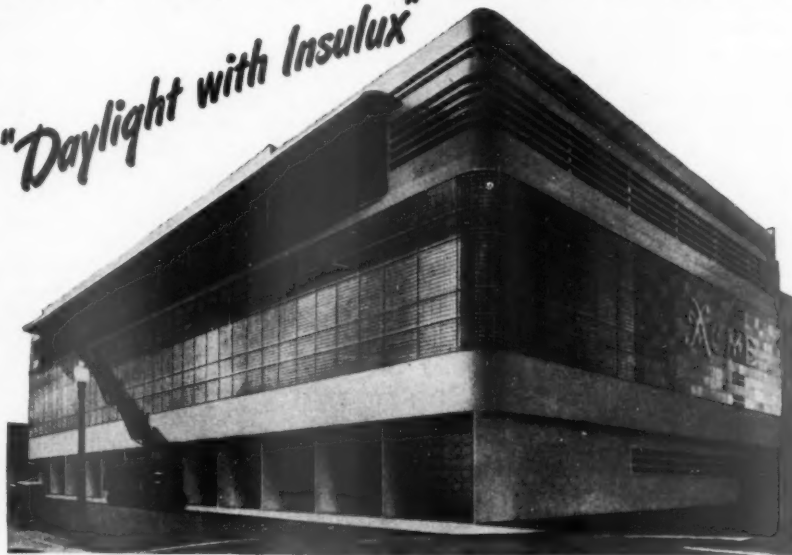
Strategy of the Pacific war is being dictated at least in part by the urgent necessity of liberating rubber-producing areas in the Far East to obtain stocks which may be available (BW—Jul. 7'45, p68). The hope is that 100,000 tons to 200,000 tons may be found, ready for quick shipment.

• **Guayule Harvest**—Our entire domestic crop of guayule will be harvested by early 1947, much of it before optimum yield can be realized. This will produce an added 12,000 tons by the end of March, 1947.

Changed military tire requirements since the end of the war with Germany are the biggest single factor in the improving outlook. Latest estimates of current quarter needs are 23% less than those of a month earlier and less than half the schedules set up last February. However, bus and heavy truck operators still must face the fact that current Army needs for A-3a (12.00 in. through 14.00 in.) are still 71% greater than was

BREWERIES AND BOTTLING PLANTS

"Daylight with Insulux"



Acme Breweries, San Francisco, Calif.
William Gladstone Merchant, Architect, San Francisco, Calif.



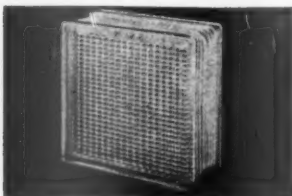
Coca-Cola Bottling Company, Asheville, N. C.
Henry F. Gaines, Architect, Asheville, N. C.



Griesedieck Brewery, St. Louis, Mo.
Janssen & Janssen, Architect, St. Louis, Mo.

5 REASONS WHY

- 1 **SAVE FUEL**—Better insulation means less fuel loss.
- 2 **SAVE UPKEEP CHARGES**—Easy to clean—and to keep clean. No painting required.
- 3 **SAVE MAN HOURS**—Better light control insures better working conditions.
- 4 **SAVE SPOILAGE LOSSES**—No infiltration of dust or dirt.
- 5 **SAVE REPLACEMENT COSTS**—Panels of Insulux do not rot, rust or corrode.



Insulux Glass Block is a functional building material—not merely a decoration. It is designed to do certain things that other building materials cannot do. Investigate!

OWENS-ILLINOIS
INSULUX
GLASS BLOCK

To help insure purity—beverage manufacturers are installing lustrous, light-flooded panels of Insulux Glass Block.

And here's why! Panels of Insulux are *airtight*, thus preventing the infiltration of dust and dirt. They do not rot, rust or corrode. And they are easy to clean and to keep clean.

There are many other advantages. Insulux, being a hollow glass unit, has high insulating value. This reduces heat loss and condensation. And it brings a saving in the cost of air conditioning.

And, more important still, panels of Insulux flood workrooms with natural daylight—improve working conditions and allow full use of floor space.

OWENS-ILLINOIS GLASS COMPANY
Insulux Products Division, Dept. B-80, Toledo 1, O.
Gentlemen: Please send me, without obligation, your book entitled, "Rx for the Improvement of Buildings."

Name _____
Firm Name _____
Address _____
City _____ State _____



estimated last November, while Army needs for A-3b (9.00 in. through 11.00 in.) are up 52%.

• **Facilities Are Adequate**—Production capacity is no bottleneck. The \$132,000,000 expansion in heavy truck tire and tube facilities, scheduled in the production frenzy which followed the Battle of the Bulge in Belgium and France, has been cut \$110,000,000.

Most of these new facilities would not have come into operation until 1946. And they would have left the industry with a postwar truck and bus tire capacity exceeding 30,000,000 units compared with peacetime production peak of 8,500,000 units in 1940—obviously a situation tire makers would not relish.

Calling All Lands

U. S. seeks fair play in worldwide communications to assure rightful share of trade. Big investment is at stake.

International communications is a subject so vital to friendly trade among nations that it is sure to knock at the door of the final peace conference and to demand consideration by the United Nations world organization. Meantime the subject receives plenty of attention at home.

• **Millions Invested**—Sen. Burton K. Wheeler, chairman of the Senate Interstate Commerce Committee, broke the monotony of Washington hearings on international communications with a junket to Europe. Wheeler, who sought early action by the Big Three powers, declares that the United States won't be able to heft its full weight in international affairs unless it gets a fair deal with other nations in communications.

U. S. investment in equipment is vast, including war installations that girdle the globe. On these the Army spent \$162,000,000 overseas; in the present fiscal year the Navy budgeted \$480,000,000 for the purchase and maintenance of communications items. (Paul A. Porter, chairman of the Federal Communications Commission, figures that the combined depreciated value of American companies in international communications is roughly \$52,000,000.)

• **Tugging at British Grip**—First consideration of the committee is whether the government investment can be salvaged for peacetime service, the second where it would fit into plans for a monopoly of American companies. All this ferment shows that Washington recognizes the postwar importance of

freer communications as a stimulant to the interchange of goods and ideas.

On a less lofty level it means that federal officials are trying to loosen the grip which the British have long held through their cable system, which they tightened after the last war through the seizure of German properties.

• **Rates Reduced**—While the Wheeler committee tussled with the broader issues, the FCC has been doing a job on rates. FCC holds to the theory that lower rates make for higher revenues while rendering service to a wider audience. James L. Fly, FCC's former hard-slugging chairman, thought that unified service might result in transocean rates as low as 3¢ a word.

The administration which succeeded him hasn't done that well, but it has urged a deep chop at tariffs. In August, 1943, the FCC brought proceedings against all the companies demanding rate reductions. As a result sweeping reductions have been put into effect, most of them on May 1, which the companies say were voluntary. Recently the FCC cited Press Wireless to show cause on Aug. 22 why its rates should not be reduced, this being the only international carrier that has not made cuts.

The general downward movement, contrary to the upward trend of other services, has included cables and their direct competitor radiotelegraph, radiotelephone and even air mail.

• **Delivery Fee Cut Also**—The new cable and radiotelegraph charge is a flat 20¢

a word on full rate messages to Europe, Latin America, and the Philippines. Former rates ranged as high as 36¢ a word to Europe and up to 45¢ a word to Latin-American points. There were corresponding reductions in code, deferred, and night letter messages.

To complement the standardized cut on foreign circuits, Western Union reduced to a uniform rate of 4¢ a word its charge for delivering or receiving international telegrams to and from the American "gateway" stations. Formerly W.U. collected from 4¢ to 15¢ for this service.

Thus a message from San Francisco (gateway for transpacific messages) to Moscow which used to cost 44¢ a word now goes eastbound for 24¢ a word. From Chicago to Moscow also is 24¢, compared to the old rate of 38¢. From New York, the eastern gateway city, the rate is 20¢, as against the previous rate of 30¢.

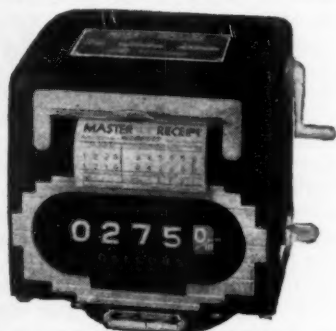
(The reductions were welcomed everywhere but in Boston which emitted a loud, if cultured, squawk. Boston complained that, while it formerly was on a par with New York so far as rates to Europe were concerned, it now has to pay the 4¢ land rate. The metropolis, being the eastern gateway city, enjoys alone the 20¢ minimum.)

• **More Talk for the Money**—The cable and radiotelegraph cuts parallel the downward revisions which the Bell System has made in radiotelephone charges. The reductions have been introduced gradually since Aug. 1 last year. They



At Press Wireless' Leyte outpost—now quiet—war correspondents pounded out stories that reached New York ten minutes after filtering through the censor. Relatively young but a vigorous contender in the field, the agency is holding out against a merger of sprawling American communications.

1945



Veeder-Root Master Meter Duplicator does away with all guesswork. Its automatically printed ticket shows exact number of gallons delivered... gives each transfer an individual serial number... identifies the meter through which transfer was made.

"6 Years on this Fuel Route"

**...And no Kicks from the Customers
...no arguments with the Boss"**

Here's a man you can count on, because he has something to count on himself. In fact, you can count on it that there will be no arguments in any direction, when your fuel deliveries are certified by this Veeder-Root Master Duplicator that prints your receipt for the actual number of gallons pumped into your tank.

Your ticket is imprinted with the meter-reading at start of delivery. And this ticket is sealed in, so it can't be pulled out until it's imprinted *again* at the end of delivery. The difference between these readings (as you see at the left) is the actual number of gallons delivered. *You are given visible proof* of protection against errors, doubts, and disputes. So look for this printing meter, left, on the trucks of your fuel supplier.

And for his part, the supplier also gets many benefits from Veeder-Root Master Duplicators. They give him complete "Control" of inventory, transfer and delivery. In fact, they're used throughout the fuel and gasoline industries to record every gallon transferred from pipe lines to bulk tanks; from loading racks to tank wagons; from tank wagons to consumers.

Likewise, Veeder-Root "Countrol" is obtainable in every other industry and business, supplying Facts-in-Figures that show "what the score is" on any machine or process, yours included. Find out how *you* can gain by the use of Veeder-Root Counting or Computing Devices . . . in your plant, in your product, or in both.

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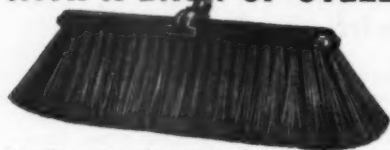
All phases of
**GAS and ELECTRIC
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**Makes Light Work
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Steel back of Speed Sweep brushes is the basis of unique construction for faster, easier, better sweeping. Block is $\frac{1}{4}$ usual size—easier to handle. Tufts of longer, better fibres are more compact—provide "spring and snap" action. Handle instantly adjustable to height of sweeper—reduces fatigue and strain. Speed Sweep brushes are built to outlast ordinary brushes 3 to 1.

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Since Pearl Harbor Speed Sweep brushes have proved their superiority in many thousands of factories under varied conditions. They are unconditionally guaranteed to meet your requirements. Prompt shipment on AA-5 or higher priority rating. Write for styles, sizes, and prices today.



528 N. 22nd St., Milwaukee 3, Wis.

Low Auto Mortality Rate Reflects Owner Care

The mortality rate among passenger automobiles is 3,365 daily, R. L. Polk & Co. reported this week after a statistical study of license registrations between July 1, 1941, and July 1, 1944. Stocks in dealers hands at the start of the war account for some 1944 registrations exceeding those of 1941. The registration count by makes:

Make of Car	1944 Registrations	1941 Registrations
Chevrolet	6,079,937	7,017,237
Ford	5,536,418	6,814,386
Plymouth	3,041,222	3,328,477
Buick	1,542,725	1,665,984
Dodge	1,479,421	1,630,285
Pontiac	1,358,833	1,466,879
Oldsmobile	1,202,736	1,274,547
Chrysler	584,963	655,951
Studebaker	568,347	624,870
Packard	435,664	457,693
DeSoto	415,913	441,583
Nash-Ajax-Lafayette	392,298	453,457
Hudson	332,986	332,946
Mercury	228,664	198,187
Terraplane-Essex	189,896	312,637
Willys-Overland-Whippet	150,204	228,724
Cadillac	140,134	135,168
Lincoln	107,343	116,704
LaSalle	102,837	123,105
Graham	56,213	106,022
Hupmobile	23,450	67,614
Willys-Knight	6,032	19,068
Miscellaneous	138,686	228,487
Totals	24,114,922	27,700,011

affect 19 countries of Latin America and the Caribbean, take in the Bahamas and Hawaii.

As an example, Senor Gonzales, pining in a New York hotel for the voice of his Dolores, reaches for the phone and puts in a call for Buenos Aires (or for other points in Argentina, Brazil, Chile, Peru). Formerly he would have paid \$15 for a three-minute, weekday chat. Now he pays \$12. To certain Central American points from most states, the reductions range up to \$6.75 for three minutes.

Bell (which also believes in low rates) reports that the cuts are the result of a worldwide plan adopted some years ago. It provides putting rates on a bee-line basis, rather than a station-to-station routing.

• **Strength in Unity?**—Federal officials, pulling for lower rates and unified operations, are thinking in postwar terms. Immense volumes now being handled are for governments or other agencies involved in the world struggle. In peacetime, reduced costs of messages will energize our trade, support our propaganda, bolster business for all the lines.

Proponents of unification of communications services protest that a government-sponsored merger is a necessary postwar protection. It would offer effective opposition to powers at the

far end of the line which now play one U. S. company against the other with a gay disregard of what Washington may think or do. Most potent of these is Cable & Wireless, the British monopoly.

It is claimed that a single company, officially under the wing of the government, would give Washington greater power in the International Telegraph Conference and the International Radio Conference, the bodies which lay down the rules.

• **State Dept. Opposed**—But there is no unified attitude toward the proposed merger, either in the government or among the companies. Last spring the proposal was making headway at hearings of the Wheeler committee. The Army was for it; the Navy was agreeable. Then the State Dept. exploded a bombshell. Will L. Clayton, assistant secretary of state and a cartel hater, came out against unification because it would set up another monopoly. The unexpected attack caused such consternation that the hearings were adjourned. No stand on the proposal has been taken by the Dept. of Justice but it is not expected to complain since it acquiesced in giving the Western Union a domestic wire monopoly.

Emotions of the commercial companies are all mixed up. Press Wireless violently opposes the merger. The

YOU'LL BE *FIRST* IN POSTWAR COMPETITION *if you ship by Truck!*

TRUCKS HELP YOU

*"GET THERE
FUSTEST WITH
THE MOSTEST"*

... AS ARMY EXPERIENCE PROVES!



**Meeting Rush Orders — Beating Competition — Requires Speed
and Flexibility Only Trucks Can Offer**

WHO'LL get those fat postwar orders? The merchant who can "deliver the goods" fastest, freshest, cheapest! That's why wide-awake organizations are planning *now* to ship by truck in the postwar days ahead.

For trucks give you non-stop, door-to-door service no other transportation system can match. It's a fact proved by Army experience on every fighting front.

So... to "get there fustest with the mostest"... why not ship by truck—*yourself!*

THE *AMERICAN TRUCKING* INDUSTRY

AMERICAN TRUCKING ASSOCIATIONS, WASHINGTON, D. C.

**HERE'S THE KIND OF SERVICE
that spells postwar goodwill for you!**

- **LESS DELAY!** Trucks travel non-stop—they're never side-tracked.
- **LESS JOLTING!** No "switching" or "humping" to smash fragile shipments.
- **LESS HANDLING!** Goods travel door-to-door with a minimum of reloading.
- **LESS SPOILAGE!** Because trucks travel *direct routes*—goods arrive faster, fresher.
- **LESS LOSS!** Thanks to less loading—loss is cut to the minimum.

TRUCKS CREATE NEW INDUSTRIES—NEW JOBS—NEW WEALTH!



THE Best EQUIPMENT NEEDS THE Best COMPONENTS



Millions of words have been written and spoken about wondrous post-war mechanical expectations. Yes, it's true that almost all manufacturers have drafted plans for producing newer and better equipment than the world has ever seen. We know it's true because our engineers have been co-operating with other manufacturers in the development of many of these items, from household appliances to transportation equipment.

Although supplying our armed forces with the material they need remains our primary objective and our facilities are still engaged 100% in this effort, our engineering staff is efficiently geared to aid in the future considerations of other engineers and designers—men who know that "the best equipment needs the best components."

In order to build a product that will meet with your customers' expectations you will want to incorporate the best components available, component products that have kept pace with the insistent demands for improvement.

Cook Electric Company's product divisions, with their distinctive engineering staffs for development of "Spring-life" bellows, relays and electrical and electronic accessories, MagniLastic bellows, pressure switches, and telephone equipment, have not only kept the pace, but have invariably set the pace.

Remember Cook Electric Company for the best in components for your best equipment.

COOK ELECTRIC

CHICAGO
ILLINOIS

Company

Bell System doesn't want its radio telephone in any unification, believing that it can do a better job alone in this field than in association with others. Tropical Radio Telegraph (United Fruit) is another objector. Western Union has bitterly opposed the combine, but the law which allowed it to acquire Postal practically required it to submit a foreign cables to unification.

• **Willing to Go Along**—Biggest corporation in the field, International Telephone & Telegraph, is generally agreeable to a monopoly provided it gets due consideration. It has these four operating companies: All American Cables & Radio, Commercial Cable Co., Mackay Radio & Telegraph, Commercial Pacific Cable Co. (in which I.T.&T. has a minority interest). R.C.A. Communications is willing to throw in its radiotelegraph service provided the merger includes everybody.

The smaller companies, probably feeling that they will be compelled to go along whatever the decision, haven't announced their attitude. These are Globe Wireless, controlled by Robert Dollar Co.; United States-Liberia Radio Corp., Firestone Rubber subsidiary, South Porto Rico Sugar Co., operating in the Caribbean.

• **Variety of Services**—The war has dramatized Press Wireless, the important newcomer in the field. Through its mobile stations it brings news direct from the most distant battlefields of sea and land. Its service includes radiotelegraph, radiotelephone, radiophoto and radiofacsimile transmission. The company was formed to get away from the delay, bottlenecks, breakdowns that plagued news gatherers during the first World War.

Organized in 1929, Press Wireless stockholders are Chicago Tribune, Christian Science Monitor, Chicago Daily News, San Francisco Chronicle, Los Angeles Times, New York Times, New York Herald Tribune, Associated Press, United Press, King Features Syndicate, North American Newspaper Alliance. However, it is a common carrier, accepting dispatches without discrimination. No profits have been paid; they have been plowed back into development.

• **Volume Zooming**—In the face of FCC's demand for lower charges, Press Wireless claims the transmission of bulk news at the "lowest rate in history" and says that its reductions have forced rivals to follow suit. A comparison of rates between New York and 14 foreign lands shows an average Press Wireless urgent rate of .084¢ against 29¢ of other carriers, ordinary rate of .0525¢ against its rivals' .0728¢.

Press Wireless traffic illustrates the effect of war on communications. In

When **BEST FOODS** "shoots" sales records



"Timed" calls sell more Hecker's, Cere-sota and Aristos Flour, Force, H-O and other Breakfast Foods, Shinola, 2-in-1, Bixby's and other Shoe Polish Products.

—IT HELPS ON THE FIRING LINE

**This company teams up
KARDEX "Fact-Power" and
DEXIGRAPH speed to keep
stores stocked . . .**

With consumer demand for its flour, breakfast food and shoe polish brands built up at tremendous cost, Best Foods, Inc. uses perfect *follow-through* to make sure these products will be on shelves wherever and whenever people ask for them.

Best Foods accomplishes this with the fastest and most economical combination of record control tools yet devised—Kardex and Dexigraph.

Detailed sales figures are posted to Kardex Visible Records for the use of executives. At the end of the month, results are photographed with the Remington Rand Dexigraph machine in order to furnish salesmen promptly with a 100% accurate record, by customer and by product.

With this system, essential information reaches men in the field while it is NEW and therefore of greatest value. They know who has bought what and who hasn't, where business is being lost or gained, where action is needed and what the action should be. This highly effective use of Kardex-Dexigraph "Fact-Power" to increase "Sales-Power" is fully described in the July issue of "SYSTEMS." May we send you a free copy?



KARDEX-DEXIGRAPH simplifies sales management. Many Kardex users signal summaries of sales results by customer and by product or line, on visible margins with quota percentages. Slides are Dexigraphed. Executive directs salesman with comments written on margin of prints. A simple, positive system that saves time and develops maximum efficiency.



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Correct HOPPER DESIGN



Buell's assurance of

HIGH EFFICIENCY, LOW MAINTENANCE, LONG LIFE

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HIGH COLLECTION EFFICIENCY
LESS FAN BLADE WEAR
LOW DRAFT LOSS
LOW POWER CONSUMPTION
HIGH TEMPERATURE RESISTANCE
UNLIMITED CAPACITY
NO MOVING PARTS
FREE DUST FLOW

PRODUCE

HIGH EFFICIENCY
LOW MAINTENANCE
LOW OPERATING COST
LONG LIFE
NO CLOGGING

1939 it handled 56,800,000 words. Last year the figure was 122,700,000. Other carriers handle considerable press business at special rates.

Over-all figures show how volume has skyrocketed with the war. In 1939 total business of cable and radiotelegraph carriers was 301,800,000 words. For the first six months only of last year (most recent reported) the total was 566,600,000 words. In 1939 cables transmitted almost twice as many words as radiotelegraph. Last year radio carried 50% more than wires. Since there is no means of counting the spoken word, radiotelephone is not included in the records.

In 1939 press wordage was 51,600,000, government 11,300,000. Four years later press had soared to 106,400,000, and government to 185,300,000.

• **Leading in Radio**—Most significant is the shift toward radio. Britain rules the roost in cables, having 170,000 miles against 94,000 miles under U. S. control. But American companies operate 16 of the 20 cables between North America and Europe (where the bulk of peacetime traffic centers), we are in a favorable position as regards Latin-American cables (especially on the west coast), and we dominate the radio picture.

U. S. companies concentrated on radio following the last war while disadvantages encountered in dealings with the British still rankled. By now air transmission has advanced to the point where radio engineers wonder if



SHARING THE RIDE

Free "door-to-door" service is provided Knoxville (Tenn.) churchgoers, an idea adopted to conserve fuel and tires. It is also boosting attendance. The plan originated with the Bible Baptist Church which now requires eight of the 20 buses chartered each Sunday by eleven city churches from the Knoxville Transit Lines.

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Further laying of cables can be justified. It is a question of either spending millions to reel out to the foreign terminal and maintain a complicated bundle of wires and insulation or inducing a foreign agency to provide a station with which the U. S. company communicates without any additional outlay.

But that isn't the end of the argument. Cable interests claim an edge on radio in secrecy of transmission and dependability of a service free from atmospheric interference. Radio men pooh-pooh the secrecy angle, daring anyone to unscramble a stream of different messages traveling at high speed along tightly packed channels. Since radio goes direct, it can bypass eavesdroppers who watch cables at the London crossroads. Radio interests also point out that cables break, but they admit the charge of meteorological interference.

• **Static Problem**—The granddaddy of all radio upsetters inhabits the North Atlantic. It is a curtain of crackling static, attributed to sun spots, which sometimes bars interchanges with Europe. When unable to get through this curtain, radio dispatchers do the next best thing and go round it.

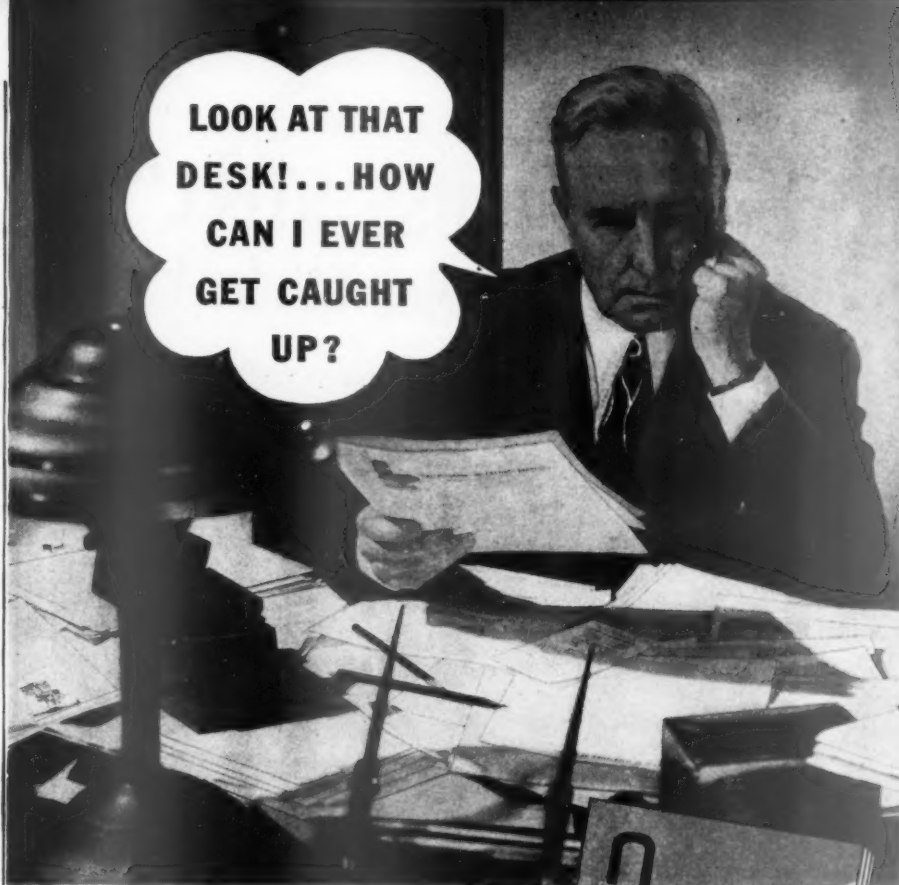
Radio science may pierce the static curtains, but research isn't going to solve the difficulties of foreign-owned terminals. Usually the cable companies own their own foreign stations but the radio companies don't. An unsympathetic government monopoly at the far end of your air wave can cause much annoyance and upset a fair distribution of profits.

Before the war the British Empire barred American radio companies from establishing terminals, a natural move to protect its communication monopoly. With our entry into the war our commercial companies and military were permitted stations at certain points in the Empire. But the permission extends only to six months after the war, and it is an even bet that our boys will be ushered out at the expiration of the agreement.

• **Trade Protection**—One element in terminal control is that of commercial espionage and trade sabotage. A recurring charge is that the British have held up American bids on contracts or the sale of goods long enough to allow an English company to grab the business. The Empire favors its own in cable rates and it would be childish to deny that one nation wouldn't use available information, against a trade rival. As the London Standard once observed:

"It [control of communications] gives power to survey the trade of the world and . . . to facilitate those activities which are to the interest of those in control."

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CAN I EVER
GET CAUGHT
UP?



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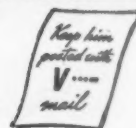
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BW 8-4

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UNITED STATES STEEL

Welch's Co-op

Grape juice company has plan for escaping a crop and ceiling squeeze by leasing its plants to cooperative.

Welch Grape Juice Co., whose advertisements have long invited U. S. women to drink grape juice and stay thin, found slim pickings this year in contracting with farmers for grapes. Nature and the OPA had unwittingly contrived a squeeze on Welch and other commercial processors. In the Chautauqua-Erie grape belt of New York and Pennsylvania, the heavy frosts of last May, following prematurely warm weather, cut the crop to about half of normal, and application of ceiling prices made it a foregone conclusion that farmers would sell their scant crop of grapes to the region's well-intrenched cooperative processors, whose patronage dividend would then give them a higher return.

• **Kaplan Plan**—However, the situation has taken a new turn since, a month ago, J. M. Kaplan became Welch's largest stockholder by purchasing through Lehman Bros. a block of the company stock which a syndicate headed by Paul M. Davis, president of the American National Bank of Nashville, Tenn., had held since 1929. Kaplan, who owns a controlling interest in National Grape Corp., had, early in the season, organized the National Grape Cooperative Assn., Inc., among the farmers and farmers' co-ops which normally supply National's Brockton (N. Y.) plant. His intention was to lease that plant to the association, retaining managerial supervision. On buying into Welch he enlarged his plan to include in the co-op setup that company's three plants in the same area.

Under the proposed arrangement, which will be submitted to Welch stockholders on Aug. 20, Welch will rent National Grape's plant and all four will go to the co-op association on a lease for 21 years, with an option to renew for another 21.

The point of the arrangement is that, according to Kaplan's estimates, the farmers bringing grapes to the plants will receive \$25 to \$50 a ton above the \$85 ceiling as a result of the patronage dividend system open to co-ops and by aid of their exemption from the federal income tax levied on the corporate producer.

• **Welch's Percentage**—Under the plan, Welch will receive an annual rental for the plants amounting to 3% of gross sales of all products (grape juice, jellies,

preserves, other fruit juices). It will retain supervision over production, and the right to specify what products shall be made. For its services as exclusive sales agency, Welch will receive an additional 7% of gross sales, plus reimbursement for advertising and selling costs.

Production of the Brockton plant (almost 2,000,000 gal. annually in normal years) will be combined with that of the three Welch plants (which normally produce more than half of Welch's 4,000,000-gal. annual output) and marketed under the Welch trade mark. Welch's three other plants, in Michigan and Arkansas, are not affected by this deal.

• **Adjustment**—With good grace Paul R. Welch, president of the 42-year-old firm and son of its founder, summed up the situation in a letter to the company's stockholders:

With a short crop such as we have this year we could not operate at more than half our normal rate even if we were to get our normal proportion of the total production. Because of the growth of cooperatives, however, we cannot look forward to even our proportionate share of the smaller crop unless we adjust our traditional course of operations to the reasonable requirements of the growers upon whose goodwill and cooperation your company's prosperity must largely rest.

Navy Challenged

Industrial executive's suit may fix responsibility of the armed services in managing seized production facilities.

The precedent-making dispute between the Lord Mfg. Co., Erie, Pa., and the Navy may be the vehicle for determining the responsibility of the armed services for management of facilities seized in wartime.

• **Seizure Challenged**—Thomas Lord, vice-president, has filed an action in U. S. District Court charging Lt. Comdr. N. H. Collisson, the Navy's officer in charge of the plant, with exceeding his authority in seizing certain company-owned machines, and with being responsible for a decrease in the production of war material.

Collisson filed a blanket denial of the charges. No hearing date has been set.

Navy retaliation to the suit was quick—the dismissal of Lord, who had been retained as a consultant to Navy management. The reason cited was "indifference to his duties." Hugh Lord, the vice-president's father, is president of the firm but is inactive.

• **Prices in Dispute**—The Lord company, in 1938, had a reported profit of



did you ever see
DIRT before?

THIS is what it looks like, magnified 100 times. Sharp flint-like, often germ-laden.

Unfortunately, your products, machinery, merchandise or even customers and workers find dirt harmful—and without the help of a microscope.

Wherever people, machinery, materials and processes are exposed to air, they are subject to the effects of air-borne dirt—infection, abrasion, contamination and the like.

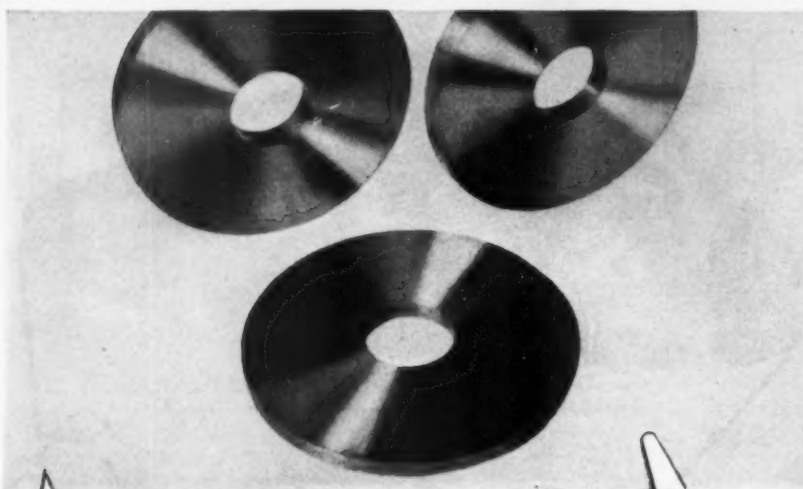
Separating dirt from air is the job on which Air-Maze has specialized for nearly 20 years. Take advantage of this experience. Send your problems to us, or consult the yellow pages of your telephone directory for your nearest Air-Maze representative. Air-Maze Corporation, Cleveland 5, Ohio. *Representatives in principal cities. In Canada: Williams & Wilson, Ltd., Montreal, Quebec, Toronto, Windsor; Fleck Bros., Ltd., Vancouver, B. C.*

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ENGINEERED AIR FILTRATION

- Oil bath type filters and filter-enclosures • Cleanable filter panels for airborne dirt, oil, grease and liquids • Oil-treated type filters and filter-enclosures • Exhaust spark arrestors • Gear case, crankcase and tank vent breathers • Oil-separators for engine crankcases • Full-flow type cleanable oil filters



Ampco Metal, Inc. *Announces*

**... a line of resistance
welding electrodes**

**... further augmenting Ampco's complete
service in the field of copper-base alloys**

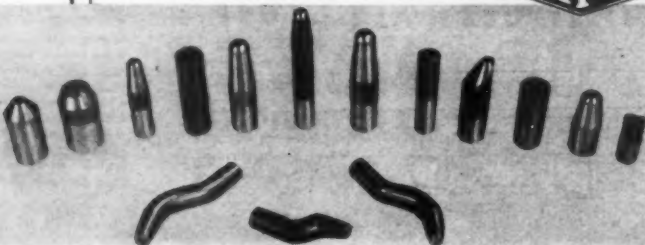
It was natural that the research program of Ampco Metal, Inc. should lead to important discoveries in the production and control of resistance welding alloys. At Ampco, control of quality and uniformity of product — both absolutely necessary in this exacting field — are kept under the close supervision of laboratory technicians from the receipt of the raw material through production of the finished part. Here, where every production facility is available, quality control is complete.

In resistance welding, costly production delays result from any lack of uniformity in the electrodes. There is no need to adjust current, time, or pressure settings when electrodes are identical. Avoid delays, reduce costs by specifying Ampcoloy electrodes. Ampco now offers special, high conductivity alloys meeting RWMA specifications. Included in the line are spot welding electrodes; centrifugally cast seam welder bushings; seam welder shafts; flash and projection welder dies, extruded and drawn rounds; etc.

Complete details are given in Bulletin 68. Write for your copy.

Ampco Metal, Inc., Dept. BW-8, Milwaukee 4, Wisconsin

*Specialists in engineering, production,
and finishing of copper-base alloy parts.*



\$250,000. When war orders poured in, profits for the next six years skyrocketed until in 1944 earnings of \$29,000,000 were reported.

The Navy, buyer of practically all of the company's products, was insisting on a downward revision of the Lord price list. Officials firmly refused, contended that excess profits were drained off through taxes as well as through renegotiation until the 1944 net was about equal to the company's profits in 1938.

The Navy, late in 1944, acting under the Revenue Act of 1943, finally ordered a price reduction of 32% on purchases from the company (BW-Oct. 7 '44, p. 20). The company retaliated by promptly making all shipments on a C.O.D. or on a sight draft basis with the result that the Navy stepped in and took over the plant.

• **Output Slump Denied**—Angrily disputing the charge that production had slumped since he had taken over for the Navy, Collisson asserted that production quotas are being exceeded with considerably less than the 3,150 workers employed in the plant prior to its seizure by the Navy.



ALERTED FOR PRODUCTION

Now that WPB's bans on civilian radio equipment are eased, Emerson Radio Corp., New York, is waiting only for final permission to jump into production of four new models. The hand set, portable, and house models (above), plus the phonoradio, are reported to have better tone and three times the power of pre-Pearl Harbor sets. No advance orders are being booked, but models will be allocated to distributors largely on the basis of past sales. Emerson hopes to be able to begin civilian production in October—to sell at prices 10% to 15% higher than prewar figures.

New Air Ventures

All-cargo line offers to fly shipments anywhere in U. S. Milwaukee department store has regular air delivery service.

Developments in air transport have multiplied rapidly since American Airlines began its experimental transcontinental cargo runs with Consolidated Vultee's Big Model 39 (BW-Jul. 21 p. 19).

Last week, for example, the new Air Cargo Transport Corp. demonstrated what its founders had in mind by flying a cargo of penicillin from Terre Haute, Ind., to Miami, Fla., then taking a load of bananas in the same ship from Miami to New York.

• **Exclusively for Cargo**—Advertisements which announced the debut of A.C.T. heralded it as "the first exclusively all-cargo airline—with a fleet of twin-engined transports designed especially to carry all types of cargo." Salient feature of the operation is that A.C.T. does not fly fixed routes, but is "ready now to fly your shipments anywhere in the United States."

The company, which has its main office in New York's Empire State Building, stresses the time element, offers deliveries according to schedules written into each agreement between A.C.T. and shipper. H. Roy Penzell is president and treasurer of the firm; William L. Rome is secretary and general traffic manager.

• **Store Starts Air Delivery**—Claims for another "first" were made this month when the Boston Store of Milwaukee inaugurated what it called "the world's first regular department store air delivery service." A chartered Piper Cub plane was put into service on a three-day-a-week schedule, with a different Wisconsin itinerary for each day. Customers in the towns thus reached were told that their packages would be delivered by air without extra charge provided they got their orders in a day before their route delivery day.

If the service prospers, it will be extended. The store has plans for its own postwar air fleet.

• **For Merchants and Buyers**—Another mercantile venture into the air, still in the planning stage, projects a service exclusively for merchants and buyers, between Lynchburg, Va., and New York City. Woodrow W. Edmondson, president of Lynchburg Air Transport & Sales Corp., has proposed an arrangement whereby members of Lynchburg's Retail Merchants Assn. would be flown to New York in groups of four to eight



Pack to Attract

Want to prevent losses on goods in transit? Want to sell more merchandise

... quicker, faster, more economically? Then make your corrugated

boxes work for you two ways ... protect and promote. For

modern package designs and skillful package engineering ... for

corrugated packages that are "salespaks"—be sure to

send for your copy of H & D's new book, "Pack to Attract."

It's filled to overflowing with new packaging ideas for the post-war period.



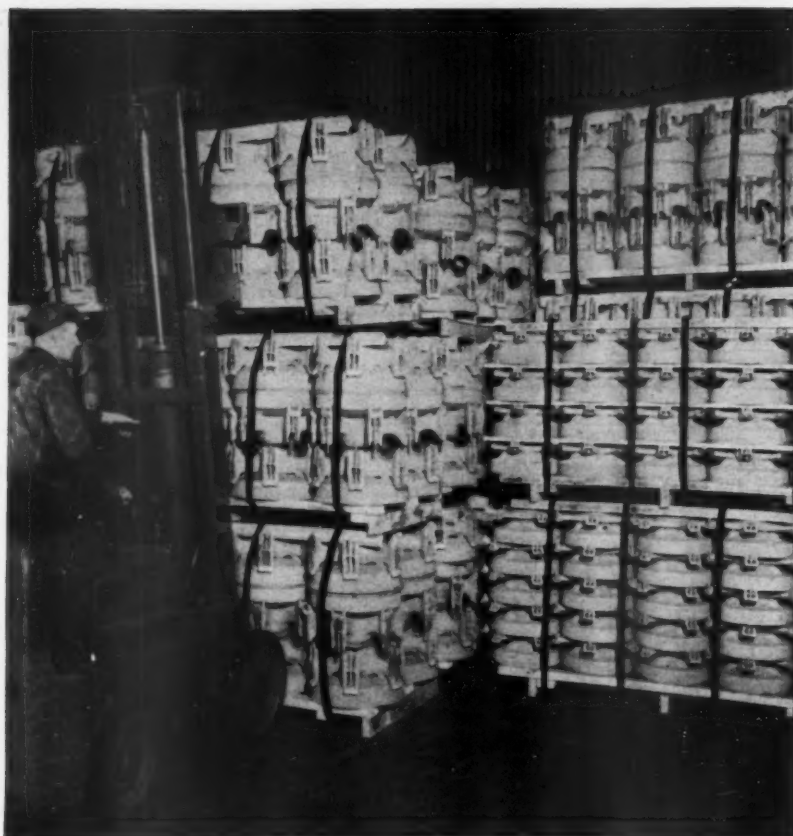
GET 23 PACKAGING IDEAS

Make your corrugated boxes protect and promote your product. Add color and display appeal to strength and protection and you have the right combination for modern packaging. "Pack to Attract" contains 23 new packaging ideas direct from the H & D Package Laboratory. Send for your copy today.

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LOWER DISTRIBUTION COSTS and ACME UNIT-LOAD STRAPPING

The flow of materials in and out of your plant . . . from the raw material stage all the way to the customer's door . . . represents an important factor in the cost of



distribution. Efficient handling methods can point the way to lowering this cost factor.

When products or containers are steel strapped on pallets or skids to form large units . . . that's efficient materials handling. Warehouse space and manpower are conserved. Loading and unloading is expedited. Product protection is multiplied. *Distribution costs are lowered.*

Acme Unit-Load Strapping will go to work for peacetime industry to provide the same economies that contributed to the flow of the unlimited variety of war matériel and supplies.

ACME STEEL COMPANY

CHICAGO 8, ILLINOIS, 2828 ARCHER AVENUE

**ACME STEEL CO.
CHICAGO**

on Monday morning and returned on whatever day was agreed on as most convenient.

American Airways, continuing its pioneering with Model 39, has gone into the household moving business. Effects of four families, including a piano, were loaded at La Guardia Field last week and flown to Los Angeles so that the owners might find their new homes all ready for occupancy when they reached the West Coast.

Louis Schramm, general manager of Chelsea Warehouses, Inc., which handled the movers' part of the deal, said, "Think what it would mean if people could break up their homes one day and establish new homes on the West Coast the next."

Air Insurance

Liberalized policy will be plugged at ticket counters of airlines. Indemnity signs with ATC for single-trip coverage.

Insurance companies are preparing to cooperate fully with the predicted great expansion in air travel.

Two new air passenger policies (effective Aug. 1) are issued by United States Aviation Underwriters and Associated Aviation Underwriters. New plans were inaugurated by Continental Casualty Co. in mid-July. Indemnity Insurance Co. of North America signed an exclusive agreement with the Air Transport Command late in June.

• **On Annual Basis**—Three of the policies give coverage on single trips only; that of U. S. Aviation Underwriters (one of the oldest in the aero insurance business, representing 62 companies with assets of \$2,000,000,000) is written on an annual basis.

Associated Aviation has long written trip insurance on U. S. domestic lines at a rate of 25¢ for four flying hours. After months of negotiation with the Air Transport Assn., a liberalized plan was developed: a flat fee of 25¢ for all one-way passages toward an ultimate destination within a seven-day period.

• **International Travel**—With U. S. domestic lines thus committed to promoting Associated Aviation's plan at their ticket counters, Continental and U. S. Aviation Underwriters are concentrating on international travel. Continental's policy gives coverage up to \$25,000, with premiums based on fares, on any airline in the world, including ATC, Naval Transport Service, and the Royal Air Force Transport Command.

U. S. Aviation's annual policy like



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**AN ADHESIVE THAT
JOINS SO MANY
MATERIALS . . .**

so easily!

TAKE a good look at that picture above. It's front-page news!

All of those so-different materials are perfectly bonded by *one* agent.

That revolutionary, new, quick-setting plastic adhesive is *Pliobond* . . . developed by American industry for solving wartime production problems. Pliobond firmly joins any materials . . . like or unlike . . . metals, plastics, fabrics, glass, rubber, wood, paper, plaster, leather, concrete, etc.

With Pliobond most applications need no high pressure or heat. For exceptionally high shear strength,

moderate pressure and 200-300°F. are sufficient.

Other important characteristics of this remarkable new adhesive: It's strong . . . permanent . . . withstands constant flexing . . . sets quickly . . . is immune to fungi . . . resists water, oils and wax.

Pliobond is always ready for instant use. Because it is a *one-part*

bonding agent, there are no fussy mixtures . . . no exact weighing. It can be brushed, sprayed, spread or roller coated.

Don't these amazing features give you ideas toward solving production problems? For technical information, please use coupon, writing us in detail on any special problems.

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B.W. 8-4-45

wise has international scope, but with one rate for travel on American-flag airlines (\$1.40 per \$1,000), and another \$2 higher for passage on foreign lines and military transports.

But for today and the immediate future, the Indemnity Insurance Co. seemed to have the plum. Its contract with ATC provides for trip insurance, paid by the passenger, on any flight of ATC or NATS. While ATC will not promote the policy, it will post placards at all its worldwide installations, advising passengers of its availability.

ATC and NATS for some months likely will still handle the bulk of international air travel. Indemnity, therefore, seems to have got the concession at the biggest point-of-sale.

AIR PROJECTS UP TO CAB

Civil Aeronautics Board examiners have recommended (1) United Air Lines competition with Pan American Airways on the important California-Honolulu route, (2) a north-south local air service by Southwest Airways for some of the smaller West Coast communities.

United's project calls for two-way service over a triangular route linking Honolulu, San Francisco, and Los Angeles. Washington would be an estimated 22 hours from Honolulu, New York 23½ hours. One-way passage for the Hawaii-mainland run would be \$125 against the present \$278 air fare and the \$135 pre-war steamer fare.

Southwest Airways, a Phoenix (Ariz.) company, was picked by a CAB examiner for a proposed feeder operation linking Seattle, Port Angeles, and Bellingham, Wash.; Portland, Ore., and Seattle; Portland and San Francisco; and San Francisco and Los Angeles. With 96 intermediate stops, the setup would give a combination passenger and pickup service.

Getting in the Hay

Demand for harvester is increased by help shortage and wet weather. Postwar boom in choppers and loaders expected.

Manpower shortages and the wettest growing season in years are increasing the demand for field choppers and loaders for making corn silage and hay.

• **Without Pitchforks**—The still-new hay harvester takes over where the mowing machine leaves off. After the cut crop has been raked into windrows and cured, a tractor pulls the harvester along each windrow. The harvester picks up the hay and delivers it to a chopper, which is on the harvester chassis. The chopper, which resembles the conventional silage cutter, blows the hay onto a motor truck or a trailer pulled by the tractor. The role of the men with the pitchforks is eliminated.

At the barn, the chopped hay is dumped from truck or trailer to a screw conveyor that delivers to a blower, which elevates the hay to the loft.

First model of the hay field harvester was built by the University of Wisconsin back in 1927, but it was 1936 before the first machine was made commercially. Public demonstrations were not conducted until 1940.

• **By Four Companies**—Last year, 2,000 of these machines were built by four different companies. WPB gave permits for about the same number this year, while farmers wanted to buy many thousands.

Several companies now have field-tested models all ready for production as soon as Washington gives the green light. A large postwar market for the new crop tools is expected.

As installations for barn hay drying become more common (BW—Dec. 23 '44, 56), the field harvester is expected to become a must in the mechanized farm setup. Used together, the harvester and the drier eliminate virtually all of the risk of making hay in a humid climate.

• **For Silage Corn, Too**—Three of the hay harvester models now in production can be equipped with corn-cutting attachments. One manufacturer makes an entirely different machine for the silage corn job.

Corn silage tonnage has increased rapidly in recent years until, in many sections, it exceeds that of all other crops combined. Hence, the importance of the labor-saving choppers.

F. W. Duffee, head of agricultural engineering at the University of Wisconsin, reports that on a Wisconsin dairy farm last year two boys used a harvester to put up 135 tons of hay in nine days. Later in the season these two boys with the harvester also put in the silo about 300 tons of silage corn in six days.

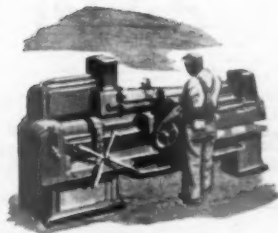
DISASTER REPORT FILED

After nine months of investigating Cleveland's East Ohio Gas Co. liquid gas explosion and fire last Oct. 20 (BW—Oct. 28 '44, p. 21), a board of technicians found that no single element in the situation, taken alone, would account for the disaster which killed 130 persons, injured 225 others, and caused \$6,000,000 in property damage.

The three engineers agreed that blame for the holocaust should be placed on (1) the city for permitting the plant to be erected in a thickly populated area; (2) the East Ohio Gas Co. as the owner-operator of the plant; and (3) the plant builder, Pittsburgh-Des Moines Steel Co., for using a 3½



Two contenders in the anticipated postwar harvester race: International's field harvester (left) brings in mixed grass and legume hay on a Wisconsin dairy farm; a Papec Machine harvester (right) cuts and loads corn for silage.



The real thing!

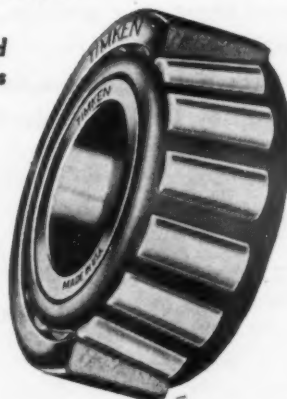
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Timken Roller Bearing Company . . . When
this trade-mark is on a bearing this, and
only this mark of identification, is your
means of knowing that you are getting
the genuine product—the real thing!

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This is NOT a war ad



Civilians and a combat flyer's life raft—what's the connection? *We wish we knew!*

We make the "magic bottle" that instantly inflates that raft. It'll soon be looking for a peacetime job.

Lots of other ingenious devices developed by Kidde will be in the same boat: A "thinking machine" that detects and clears jammed machine guns. Gases-under-pressure that deliver fast power ... that hurl a sheet of flame deep into enemy dug-outs or lay a smoke screen for invading troops.

Do *you* have a place for one of these veterans? Sure, the adaptation to your needs may take plenty of imagination. But we've *got* plenty...and if you'll send along your problem, it *could* add up to a happy solution.

Let's try! Just drop a line to: Walter Kidde & Company, Inc., 140 Cedar St., New York 6, N. Y.

Kidde

IDEA LABORATORY

nickel steel, which, the investigators declared, becomes brittle under very low temperatures.

In operation, the plant refrigerated and compressed natural gas to 1-600th of its volume and stored the liquefied gas in four tanks containing the equivalent of 250,000,000 cu. ft. of gas.

The investigating committee advanced one possible cause of the disaster—the tendency of stagnant liquids, held at low temperature, to store up heat and then suddenly boil off, causing "bumping" and perhaps the cracking of the walls of the tank.

Treasure Hunt

California counties split 50-50 with state in sale of lands seized from alien Japanese. Sales are deferred pending appeals.

Alien Japanese are not permitted to own land in California, but many do, illegally. Precisely how many properties are held in dummy names for Japanese owners is a question that has troubled the state's attorney general, Robert W. Kenny.

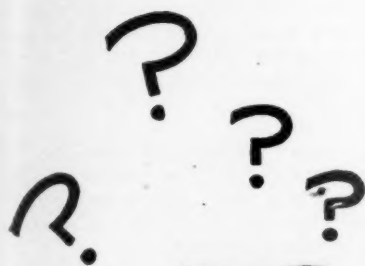
• **Four Judgments Won**—For the past year and a half, Kenny has been conducting a more or less exploratory campaign of escheatment against illegally held properties, and with some success, considering that title investigations of this kind are akin to the needle-in-the-haystack search. In cooperation with district attorneys in ten counties, he has begun about 30 escheat actions, has won judgments in four of them, and has effected out-of-court settlements of \$100,000 and \$25,000, respectively, in two others.

The recent session of the California legislature removed two of the obstructions which have handicapped Kenny's campaign. These were (1) a statute of limitations, and (2) a lack of incentive for counties to cooperate in the search for questionable titles.

• **Defense Circumvented**—Removal of the time limitation, unless successfully challenged in the courts, silences one piece of defensive artillery recently brought into play in a case involving a \$100,000 celery tract near Los Angeles, held by a dummy for a Japanese.

In that case, the defense contended that the attempted seizure by the state constituted a forfeiture, subject to the one-year time limit on that type of litigation. Under the new law, such a contention is not possible.

• **Spoils Divided**—To provide an incentive for the counties, the legislature decreed that proceeds from the sale of



What Does A Girl Have To Do To Be A "Pin-Up"?

JIGGS might answer, "Provide a lot of this and a lot of that in the right places," eh, Maggie?

But *you* don't need one single, solitary bit added OR subtracted, Maggie darlin'!

You *really* rate. Why, you were a pin-up girl before today's bathing suit ever saw the light of day. You're pinned up—to *stay*—in the hearts of the 20,000,000 Americans who read Puck-The Comic Weekly.

Papas in Paducah, boys in Boise—boys and girls all over America who grew up with you, are sticking with you, they *love* you, Maggie!

They love "Blondie," too. And "Tillie the Toiler." And guess who gets pinned up by a certain cadet at West Point? "Queen Aleta"—that cadet goes for her in a big way—a bit more than "Aleta's" hero, "Prince Valiant," would like to admit.

That's The Comic Weekly for you—cartoon girls with pin-up personalities—laughs, loves, thrills and tears—the greatest show of hits on earth! The *only* publication of its kind in the world—twenty million readers, worth their weight in green-backs to every advertiser in Puck-The Comic Weekly.

And maybe *this* is something you ought to pin-up yourself:

The Comic Weekly's 51 smart advertisers are doing something so simple it might seem radical. When they have mass-consumption products to sell *darned* if they don't use the devices, the language AND the medium *that the millions like!*

Think about Puck-The Comic Weekly this way: It provides plenty of "this and that" for its great audience of readers ...and in the right places, too...right in the homes of more than 6,500,000 families from the Atlantic Seaboard to the West Coast. Puck-The Comic Weekly, 959 Eighth Avenue, New York 19, N. Y., or Hearst Building, Chicago 6, Ill.

HOW A DISSTONEER HELPED THE AIRCRAFT INDUSTRY



Few industries engaged in wartime production faced more numerous or more complex problems than the builders of our bombers and fighting planes. One development followed another in close succession. Quick manufacturing adjustments had to be made, usually under high pressure. Cutting tools designed for specific types of work were given new duties to perform. Naturally, the highest degree of efficiency was not always possible.

Because of his wide experience with cutting tools and their applications, a Disstoneer* was called in for consultation by some of the country's largest aircraft builders. Complete surveys were made of each machine, its method of operation and materials being cut. Performance records were studied, operations carefully watched, and finished work examined.

Detailed written recommendations followed each survey. Disston suggestions were adopted and, with gratifying results. Production was speeded up, down time of machines reduced, operating costs lowered, and the product improved.

Another clear-cut case of Disston leadership

This consultation service which proved so valuable to America's great aviation industries is also available to you. Write fully regarding your own machine cutting problems. You will be advised frankly, in confidence and without obligation.



***DISSTONEER**—a man who combines the experience of Disston leadership and sound engineering knowledge to find the *right tool* for you—to cut metal, to cut wood and other materials—and **TO CUT YOUR COST OF PRODUCTION**—not only on special work but on ordinary jobs as well.

You may not be a manufacturer of aircraft, but your cutting problems, like his, may include the use of band saws. Then you will be interested in—

DISSTON HARD EDGE, FLEXIBLE BACK, METAL BAND SAWS



Blades are hardened on tooth edge only, and are designed for low speed operation in the cutting of steel, cast iron, and the tougher alloys. Teeth are not punched, but milled and then accurately set by machine. Noted for their ability to hold their sharpness longer and stand up well in service.

HENRY DISSTON & SONS, INC., 828 Tacony, Philadelphia 35, Pa., U. S. A.

land escheated under the Alien Land Act of 1920 shall be divided equally between the state and the county of origin.

Splitting the spoils with the counties is expected to speed up the investigations. County governments have found little room in their budgets for the exacting type of research which turns up real estate transactions of doubtful legality. The new law makes it a treasure hunt.

• **How Dummies Work**—The commonest device for concealing true ownership is to place the title in the name of a trusted friend, either Caucasian or Japanese-American.

Other forms are the guardianship estate, in which the American-born child of Japanese parents holds nominal title; the trustee pattern, in which some association, corporation, or person serves as agent of the alien; and the outright corporation, in which the majority of the stock is held in the names of American citizens.

• **Enforcement Deferred**—Some form of restriction against Japanese ownership of land has been on the books in California since 1913. But not until Japan attacked at Pearl Harbor did enforcement seem worth the diplomatic risk.

Even then the enforcement program was retarded because the Japanese—alien and Nisei alike—were hustled out of the Pacific Coast area and into relocation camps and were not available for questioning. Others destroyed records.

• **No Sales Yet**—On the theory that titles to seized properties will be clouded until every avenue of appeal has been explored, California has no thought of offering the escheated lands for sale immediately.

INDIANS CLAIM FOREST

Ever since the United States Forest Service began pushing development of a big pulp industry in Alaska (BW—Jul. 15-44, p. 36), there has been keen interest in the 16,000,000-acre Tongass National Forest, which has an estimated timber reserve of 78,000,000,000 b.ft.

The Indians of that section appealed to the Dept. of the Interior, claiming that their aboriginal rights and privileges have been abused. The United States bought the territory from Russia, and the natives claim that the Russians made no agreement with the aboriginal owners.

This week Secretary of the Interior Harold L. Ickes rejected their claim to all except 273,000 acres, or about 190 acres per Indian.

The Forest Service has classified almost all the Tongass timber as high-grade pulping material. An output potential of more than a million tons of paper annually was the estimate.

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Coal Price Suits

Sued operators say OPA turning to courts because it is unable to determine meaning of its own "confused" regulations.

Confronted with damage suits alleging price violations, soft coal operators of western Pennsylvania are countering with charges that OPA is using them as legal guinea pigs in an effort to have the federal courts clarify the agency's own snarled rulings.

Attracting especial attention is a suit for \$1,050,000 against the Pittsburgh Coal Co. and the Champion Coal Co. OPA describes Champion as a wholly owned subsidiary of Pittsburgh Coal, and says that the subsidiary was set up a year ago last January as a "fictitious corporate entity" so that higher prices could be obtained than would otherwise be possible under regulations.

• **Agency's Allegations**—OPA charged that there were irregularities in wholesale and retail transactions; that there were erroneous records, which OPA men were not allowed to inspect; and that

overcharges were made for delivery and other services.

The damages each represent triple the amount of alleged overcharges and \$50 for each consumer said to have been overcharged.

A reply to the suit must be filed by Aug. 12. J. B. Morrow, president of Pittsburgh Coal, has announced that he intends to fight the suit to the limit. According to Morrow, the company repeatedly asked the OPA office to define its regulations but received no answer. • **Confused Rulings Blamed**—If there were pricing errors, Morrow says, they were caused by "rulings so confusing that they were not even clear to those whose duty it was to enforce them."

The company cites regulations which were in effect during 1944, when the violations are alleged to have occurred. One section says, in part, "The maximum price shall be the maximum price of the most closely competitive dealer of the same class. . . ." When it attempted to apply this ruling, the company says, it was told by OPA that it could not because the prices of the competitor were under attack.

• **Other Companies Sued**—OPA has made Consolidation Coal Co. the defendant in a \$375,000 action. Greens-

burg-Connellsville Coal & Coke Co. and the Baton Coal Co. have been sued for "not less than \$300,000." And OPA has announced that three more suits will be filed soon.

Charles Baton, vice-president of Greensburg-Connellsville and president of Baton Coal, charged that OPA wanted the courts "to find out what prices we should charge."

Sale for Shasta

Reclamation agency signs power contract with California town, wants private company to supply transmission service.

Northern California's Central Valley is the scene of a bitter fight for power markets as the Interior Dept.'s Bureau of Reclamation tries to sell the output of its huge Shasta dam (150,000 kw.) while the Pacific Gas & Electric Co. tries to retain its position as the leading energy source for the region.

• **Contract Signed**—The bureau, which suffered a setback recently when Congress refused to include \$115,000 in the 1946 Interior appropriation for planning a transmission system in the valley (BW—Jul. 7 '45, p. 48), got even last week when it signed an initial contract with the city of Roseville to sell Shasta power to its municipal system, heretofore served by P.G.&E. The agency said that it will sell Roseville power for \$26,660, or \$18,436 less than the cost of private power.

Six other northern California municipalities are the next logical targets for Reclamation's sales energies, in at least two of which—Redding and Lodi—negotiations are now active. The others are Alameda, Biggs, Gridley, and Palo Alto, all municipal systems now purchasing P.G.&E. energy. Reclamation is aiming at the municipal systems because the reclamation law gives preference in sales of public power to public bodies.

• **Lacks Transmission Lines**—In Redding, the city council turned down a Reclamation offer of Shasta energy, but a referendum is scheduled. In Lodi, where the fight is hottest right now, P.G.&E. people are quoted as attacking the validity of Reclamation's claim that Shasta energy would save the city \$40,000 yearly.

The federal agency's problem is how to get the power to those customers it can sign up. It owns only one transmission line, from the Shasta substation to Oroville, Calif., 60 mi. short of Roseville. It built that line with unexpended appropriations in the summer of 1943 over the violent objections of House



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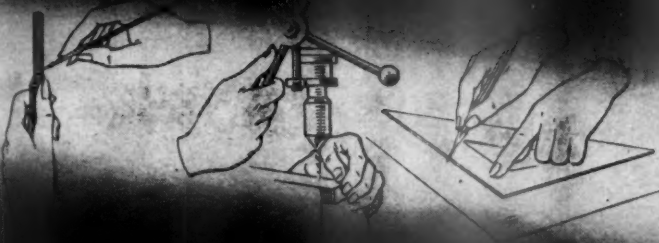
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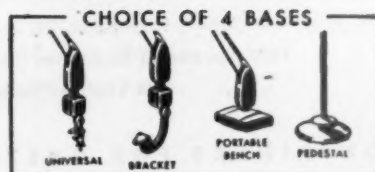


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CONTAINERS FOR GASES, LIQUIDS AND SOLIDS

members, whose appropriations committee had specifically banned use of any funds for the line.

• **No Authorizations**—As a result of the furor over the construction of the Shasta-Oroville line, Reclamation has adopted a policy of not building lines without specific authorization, of which it now has none. Thus, it either must talk P.G.&E. into moving Reclamation energy into towns it has taken away from the power company, or get authorization and appropriations for lines.

In announcing the Roseville contract, Interior Secretary Harold L. Ickes said he had asked P.G.&E. to meet with his power experts to work out a plan whereby P.G.&E. would move Reclamation's power to Roseville.

MEDICAL PLAN OPPOSED

A bill to permit the Wisconsin State Medical Society, or county medical societies, to establish prepaid medical care plans was passed in Wisconsin last week, amid outraged cries of "monopoly" by cooperatives, labor unions, and farmers' organizations.

So great was the clamor that Gov. Walter S. Goodland issued a statement that the law "does not exclude any other plans which are now organized, nor prevent future legislation from authorizing other prepaid sickness care plans. . . ."

Co-op lawyers countered that any other group which wanted to establish a medical care plan would have to secure its own enabling legislation—a difficult feat in the face of organized medicine's opposition. Wisconsin, as well as Minnesota, are already served by Group Health Mutual, Inc., and Group Health Assn., twin organizations of a St. Paul cooperative.

Legislation similar to the Wisconsin bill has been fought by the cooperatives successfully in Iowa and Minnesota, unsuccessfully in South Dakota. New Jersey also has a law which, the co-ops claim, favors medical societies over other groups which might attempt to organize cooperative medical insurance ventures.

HIGHWAY RESEARCH

Kentucky, planning a \$75,000,000 postwar highway construction program, is employing research methods to assist in getting its money's worth.

Factors tending to destroy highways and methods of improving construction are being studied under artificial and actual weather and road conditions in a new laboratory at the University of Kentucky, Lexington, which will be maintained by the Kentucky Highway Dept.

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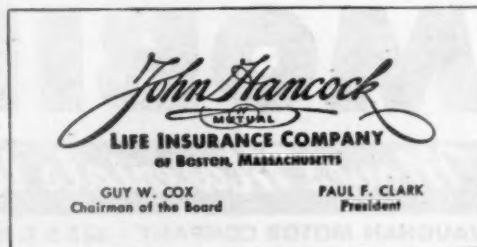
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Runaway Fish

OPA plans ceilings
fresh-water trade as result
retail price surge in Chicago
Dealers voice skepticism.

OPA has set to work reluctantly what it and the trade expect to be a none-too-pleasant job of establishing and enforcing ceiling prices on Great Lakes and other fresh-water fish, and primarily at reestablishing sanity in runaway retail fish prices in Chicago. • Prices Double in a Year—Fresh fish from the Great Lakes and other midwestern sources are only about 10% of all fish marketed annually in U.S. But in Chicago, OPA officials say, 70% of all fish sold come from the Great Lakes. Price pressure increased as meat got scarcer, and housewives have been paying prices more than double those of a year ago. Trout and whitefish, in biggest demand, were up to 88¢ and 98¢ a lb.; yellow perch was 58¢ and yellow pike, 65¢.

The trade expects OPA to cut whitefish and trout prices to between 40¢ and 40¢ a lb., about a 65% cut.

• Fewer Fish From Canada—Normal fish from Lake Winnipeg, Lake of the Woods, and other Canadian waters to make up the summer slack when Great Lakes fish seek deep waters and thus elude commercial fishermen's nets. But Canadian fish, too, are in less-than-normal supply on the Chicago market.

Wholesalers complain that OPA ceilings on Canadian fish (17¢ a lb. for whitefish and trout) are too low. The same fish sell for 25¢ in Canada. Importers declare fish shipments at OPA ceilings, but just as with other scarce food items, sharp dealers can arrange side payments or other consideration. Actual wholesale price of these fish reported in some quarters to be 60¢ to 70¢.

Chicago wholesale and retail fish dealers' organizations are protesting the ceilings on domestic fish can accomplish little when OPA has failed to enforce existing ceilings on Canadian imports.

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FREIGHT RATES *and* INDUSTRY LOCATION

A significant decision, announced by the Interstate Commerce Commission last May, will take preliminary effect on the 30th of August. It will eliminate some of the advantage in freight rates which Eastern shippers have enjoyed over shippers of the South and West.

The decision has been enthusiastically hailed as an Emancipation Proclamation for industrial development in the South and West. It has also been roundly condemned as a meddlesome control measure that ignores valid differences in haulage costs, and recklessly blots out one of the important factors in determining the location of American industry.

Cooler appraisals indicate that the net effect of the rate changes will be far less drastic than predicted by the more passionate advocates or adversaries. Nonetheless, it is important for the business world to be informed both upon the principle at issue, and upon the foreseeable consequences of the ICC ruling.

What The Decision Calls For

The Commission's order, unless modified, or successfully contested in the courts, will require: (1) the eventual establishment of a single freight classification, or grouping of commodities for rate-making purposes, for application throughout the United States; (2) a single level of "class rates"—or rates established for groups of commodities and primarily applying to manufactured and semi-manufactured articles of high value—in the area east of the Rocky Mountains. This level is to be about 15 per cent higher than the present Eastern scale.

Because it will take some time, probably several years, to work out a uniform classification in place of the three major classifications now existing, a preliminary adjustment is provided.

Under this adjustment the existing classifications will remain in effect, but the rates on articles moving on class rates will be increased 10 per cent in Eastern or Official Territory—the area east of Lake Michigan and the Mississippi River and north of the Ohio River. On the other hand, the rates will be reduced 10 per cent

on articles moving on class rates in the South and West and on those moving interterritorially.

What The Problem Was

At the present time there are marked differences in the levels of the basic scales of class rates in the major rate territories—Eastern or Official, Southern, Western Trunk-Line, Southwestern, and Mountain-Pacific. It is difficult to average the levels of rates, if the level of the class-rate scale in Official Territory taken as 100, the levels in the other territories may roughly be considered as follows: Southern, 139; Western Trunk-Line, 128, 146, 161, 184 in Zones I, II, III, and IV, respectively; Southwestern, 161; Mountain-Pacific, 166.

These are over-all comparisons. On many individual articles the differences in levels of rates are greater than indicated, because of offsetting differences in regional classification schemes. In many cases, the effect of exceptions to the classifications and of special commodity rates has reduced the regional disparity in rates. In fact, on some articles, particularly on certain low-grade traffic such as logs, pulpwood, bricks, coal, sand and gravel, the South and the West have actually had lower rates than Official Territory. The rate disadvantage of the South and West has been principally on manufactured articles.

The territorial differences in class-rate levels have complicated the problem of constructing rates from one point in one territory to a point in another. Today, such a rate tends to represent a blend of the levels in effect at the place of shipment and at the destination. The manufacturers and dealers in a higher-rated territory are likely to see themselves at a disadvantage when they attempt to sell goods in a lower-rated territory against competition located there.

Now, if differences between territorial rate levels are removed, the interterritorial freight-rate problem largely disappears. So it is an important question whether such differences are justified. The Commission has found

that they are not justified either by differences in transportation costs or by other valid considerations. From that finding came the order to establish a uniform level of class rates and a single freight classification.

The Decision And The Map Of Industry

What effect will this decision have on the location of industry in the United States; and what effect will it have on the economic development of the East, the South, and the West?

Today, many in the West and South believe that their higher class rates have seriously retarded the industrial development of these areas, and promoted the concentration of manufacturing in Official Territory. They point out that Official Territory has over 50 per cent of the population of the country, had nearly 70 per cent of the persons employed in manufacturing in 1940, and accounted for nearly 73 per cent of the "value added by manufacture" in 1939. Boasts of industrial development in the South, and to some extent in the West, in recent years are accompanied by claims that this would have been greater but for the freight rate structure.

Another point gets into the argument. Official Territory is not only the country's most highly industrialized section, but also its greatest consuming territory. It is the market which nearly all manufacturers desire to reach, particularly when they have a surplus to sell. Here again is occasion for an outcry by producers outside of Official Territory against the consequences of their high rate levels and the levels of interterritorial rates. Under the circumstances it is not strange that the South and West have argued long and volubly for mile-for-mile equality in rates.

Those in Official Territory deny that the South and West have been handicapped by the rate adjustment, but at the same time look with apprehension at the loss of their rate advantage.

What's The Effect?

However, now that the ICC's ruling is about to be put in operation, it is time for the colorful statements of the debating period to give way to a sober appraisal of what the consequences are likely to be.

In the first place, it should be noted that the preliminary adjustment will affect only a small fraction of the traffic. Estimates indicate that only about 4 per cent of the full-carload traffic moves on regular class rates. About 11 per cent moves on exception ratings which are not affected by the preliminary order; and about 85 per cent moves on commodity rates, which were not within the scope of the Commission's decision. The proportion of less-than-carload lot traffic affected is

much greater, since a large part of it moves on class rates; however, less-than-carload traffic constitutes less than 1½ per cent of the total tons carried.

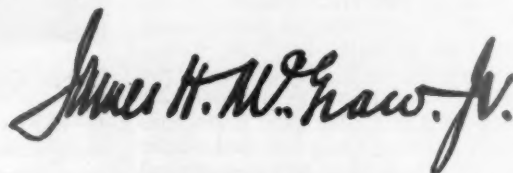
The permanent rate structure will probably affect more traffic than the preliminary order since, in the establishment of a uniform classification containing more classes than at present provided, many articles now moving on exception ratings are likely to be brought within the scope of the classification, and the same may be true of some articles moving on commodity rates.

But, even if a large proportion of the traffic were affected by the Commission's order, or if the principle of equality in rate levels is eventually extended to much of the traffic moving on commodity rates, these freight-rate adjustments cannot be expected to revolutionize the pattern of industrial location in the United States.

It seems evident that most industries now found in Official Territory are located there for other advantages than that of a lower level of freight rates, undeniable as such an advantage is. Insofar as that is the case, they have little to fear from equalization of the rate levels. For those which have, indeed, been dependent upon preferential rates and otherwise badly located, the removal of the preference and their consequent shift to some area possessing a real locational advantage would be desirable from the point of view of the national economy.

While the high degree of industrial concentration in Official Territory does not rest on such a flimsy basis as a lower level of class rates, the Commission's decision does remove one existing handicap to the growth and development of the South and West. The new adjustment should permit all sections of the country to develop the industries for which they have natural advantages. It should contribute to a sounder regional specialization than we have heretofore had.

This decision will neither destroy the economy of the industrial East, nor will it, overnight, assure the industrial flowering of the South and West. It constitutes one sound step toward establishing that equality of opportunity for all sections of the country which is essential to a nation that bears the proud title of The United States.



President, McGraw-Hill Publishing Co., Inc.

Brake for Government Bonds?

Possibility of decisive action to discourage speculative buying of federal issues evokes divergent views in banking circles. Change in discount rate on short-term obligations is predicted.

Regulatory authorities may soon act decisively to curb some of the bullishness that until very recently was pushing the government bond market to a succession of all-time highs. It is expected that the steps taken will restrain such speculative buying as was in evidence during the Seventh War Loan drive (BW—Jul. 28 '45, p. 80).

The first move, according to persistent rumors in Wall Street banking and bond circles, will be an order drastically changing the special Federal Reserve discount rate that now prevails when member bank loans are secured by Treasury issues maturing in a year or less.

• **From 0.5% to 0.75%?**—This rate, it is predicted, will be hoisted from the present 0.5%, which compares with the regular Federal Reserve discount rate of 1% on all other loans, up to 0.75%. A minority group in New York's financial district wouldn't be surprised to see the differential eliminated entirely.

Further possibilities, if raising the discount rate doesn't work, are (1) another order barring future commercial bank purchases of governments in the open market except in the case of obligations due in one year or less, (2) a ruling that banks must maintain the same reserves against their war loan accounts (no reserve at all is now required) that are currently necessary where ordinary deposit accounts are concerned.

• **Results Predicted**—Unofficial observers believe that such moves would go a long way toward eliminating many of the violations of war loan "ground rules" which have grown to unhealthy proportions in recent months.

One of the prime objects of any change in the differential discount rate would be to make short-term government obligations more attractive to the banks and to discourage the desire for longer maturities by many institutions which has been kiting the open market prices for such issues to unprecedented levels.

Undoubtedly, any raising of the discount rate, let alone its complete elimination, would set in motion new trends that could well accomplish many of the

aims the fiscal authorities have in mind.

• **Picture Would Change**—Most assuredly it would abruptly end the banks' increasing practice of borrowing from the Federal Reserve at a $\frac{1}{2}$ % rate in order to buy $\frac{1}{4}$ % certificates of indebtedness in the open market and collect the small "interest profit" that develops out of such a transaction. Similarly, it would force banks needing funds to sell their certificate holdings instead of profitably borrowing on them as they are able to do today.

Obviously, the cutting down of open market purchases of the certificates and the increased sales that would result could hardly fail to have an impact on the market price of the certificates.

• **Removing a Motive**—According to some authorities, such a turn in events

would very quickly remove a substantial portion of the premium now prevailing above the issue's original offering price and thus cause a rapid evaporation of the capital-profit incentive responsible for so much of the "free-riding" and oversubscription noticeable during the last loan drive.

The effect of an upping of the discount rate on the market for the longer-term government issues appears to be more debatable.

In the last week or so the government bond market has been showing a weak tone, and many Wall Streeters believe this due to the rumors of an impending change in the discount rate.

• **Another View**—Others deny that the rumors have been the chief cause of price unsettlement. They point to such factors as peace stories and uncertainties over the policies of the new Secretary of the Treasury.

Nevertheless, the latter group does admit that the rumors have had a psychological effect. In fact, some investors are said to feel that any future action in connection with the differential discount rate may well mean that the fiscal authorities have decided that yields, even on government issues, have declined sufficiently and that a plateau has been reached in interest rates.

The more bullish group of govern-



BANK OFFERS DESIGN FOR LIVING

Through a sliding metal door in New York's Bank for Savings, customers find themselves, not at a vault entrance or in the midst of filing cabinets, but in a cheerful, fully equipped apartment (above). Decorated by McCreery's department store, the apartment is located in an adjoining brownstone house into which the bank expects to expand its future operations. Meanwhile, it is doing a subtle promotion job to boost savings and mortgage loans by displays that suggest to its customers pleasant ways of spending their money.

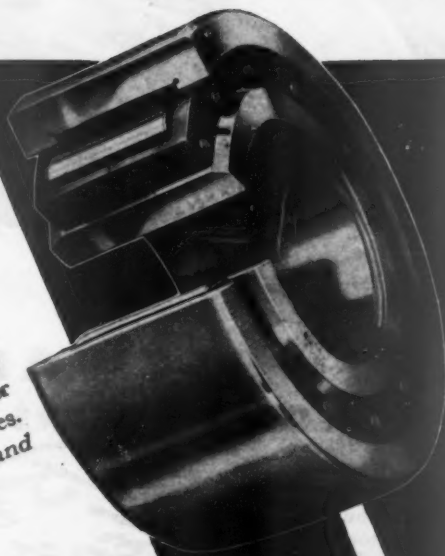


Choose Right-Angle Loading for Outstanding Performance . . .

● In many applications—particularly in heavy-duty service—Rollway Solid Cylindrical Roller Bearings outlast and outperform other types of bearings. There's more metal to carry the load . . . long line contact with the race . . . and lower unit pressures. A combination that affords from 3 to 5 times the carrying capacity of equal-sized ball bearings.

But that's only half of the story. Rollway Right-Angle Loading splits compound loads into the two simple components of pure radial and pure thrust—each of which is carried on a separate set of rollers. Total load magnitudes per bearing are lower, and are carried perpendicular to the roller axis. There are no oblique resultants, no complicated stresses. Stress analysis and bearing computations are simpler and more exact.

ROLLWAY BEARING CO., INC.
Syracuse, N. Y.



ROLLWAY RIGHT-ANGLE LOADING



● If you haven't a ROLLWAY BEARING CATALOG in your engineering file, write for one today. And ask our engineering specialists to help you in selection of the type and series best suited for your application. Just send a print of your assembly with specification of load, speed and type of service for confidential analysis. No charge. No obligation.

ROLLWAY CYLINDRICAL ROLLER BEARINGS

SALES OFFICES: Philadelphia • Boston • Pittsburgh • Youngstown • Cleveland • Detroit • Chicago • St. Paul • Houston • Tulsa • Los Angeles



POST WAR TRACTOR-TRAILERS WILL BE

*Braked
Electrically*

Picture your huge tractor-trailer outfits of the future roaring along through the night, with the going plenty tough due to bad weather and slippery roads. That's when *there can be no compromise with safety* — when drivers need the confidence that comes with *complete control*. And your drivers will have it — because when both tractor and trailer are equipped with Warner "Vari-Load" Electric Brakes, controls on the dash will permit pre-setting the correct braking power to fit both load and road conditions. With this *absolute control*, all brakes on tractor and trailer will "come in" at the same instant but with predetermined amounts of power. Thus the tendency to skid or jack-knife will be prevented — heavy tractor-trailer trains can be slowed down or stopped quickly and *safely* — to afford greater protection to drivers and loads, and to avoid costly lost time due to wrecked equipment.

It is significant that thousands of trailers now in use for essential transport work, and more thousands of trailing vehicles in the mechanized forces of Allied armies the world over, are equipped with Warner "Vari-Load" Electric Brakes. Their outstanding performance under the rigorous use and abuse of war conditions is not only conclusive proof of the dependability — fast, positive action — and more complete control afforded by Warner Electric Brakes, but is a tribute to their simplicity and trouble-proof design and construction.

WARNER ELECTRIC BRAKE MFG. CO., Beloit, Wis.



CONTROLLED SPLIT-SECOND STOPPING POWER FOR ANY PURPOSE

ment bond traders, however, doesn't expect the uncertainty to last very long.

• **As They See It**—They say the Treasury has already indicated that future deficits will be financed by short-term low-yield obligations in order to ease the debt burden as much as possible and curtail the earnings of the nation's banks (BW—Jul. 7 '45, p. 50).

Consequently, they look for a continued shortage of the higher-income longer-term issues that can be bought by the commercial banks. They expect a definite demand for such issues to spring up again, once the initial effect of any change in the discount rate has worn off.

These experts, moreover, believe that increasing the discount rate, without a definite change in the present financial policy, will not tend to make short-term issues any more attractive for holding by the commercial banks. Instead, they believe it would cause most commercial banks with savings deposits to hold only the short-term paper needed to meet deposit changes, selling all the remainder and reinvesting proceeds in eligible long-term issues at levels offering them enough return to meet the cost of their time deposits.

• **One Suggestion**—There is one change, however, that bond traders generally think the government could make which would produce some of the results desired. They suggest that commercial banks be accorded the same treatment as the mutual savings banks on occasion—that they be permitted during a bond drive to make purchases of an intermediate-term issue bearing something a bit better than a 1½% coupon rate. Such a privilege, they say, would definitely lessen the demand for the longer-term bonds.

BONUS OF CONTENTION

Under a legislative act just signed by Gov. Maurice J. Tobin, Massachusetts' 600,000 veterans of this war are to receive a state cash bonus of \$100 each.

The measure sets up additional tax levies for the next six years on various items, including cigarettes and liquor, to cover its costs to the state. The statistically minded figure that many veterans will personally provide all the extra money the state is called upon to hand them.

Through the two-cents-a-pack levy on cigarettes provided in the bill, a veteran and his wife, if each smokes a pack daily, or a veteran who smokes two packs a day, will be called on to pay \$87.64 of the \$100 bonus within six years.

The companion liquor tax of fifty-cents-per-gallon can probably be counted on to return the rest. Even if



The Waitress who Turned into a Bookworm

WHEN ELLEN STARTED working at Ye Little Tea Room, business was booming. But things are different now that summer has set in.

She has the place practically to herself—and she's getting to be as well read as the librarian up at the university.

Ellen isn't a business analyst, but she knows where the customers and the tips have gone. The answer is on the window of the restaurant across the street. "Air Conditioned," the sign says, "by Carrier."

People don't want to eat in a place that's as hot and steamy as the August streets. They don't even like

to shop in stores that fail to provide cool comfort during summer's oppressive heat and humidity.

And they needn't! For Carrier can see to it that stores are not only *cool*, but that fresh clean air with both temperature and humidity controlled is distributed gently and draughtlessly. That is what Carrier means by air conditioning . . . perfectly regulated indoor climate.

The ability to do this . . . and do it well . . . is the result of nearly half a century of devotion to the single task of creating and manufacturing the finest in air conditioning and refrigeration. Over these years Carrier has

consistently led the way . . . and this leadership makes Carrier your best investment. As soon as war commitments are honorably discharged, Carrier will again be at your service . . . in your home and office, in your plant, in your favorite stores . . . contributing to more profitable business, more enjoyable living.

Carrier Corporation • Syracuse, N.Y.



AIR CONDITIONING • REFRIGERATION

This is under no circumstances to be construed as an offering of these Debentures, for sale, or as an offer to buy, or as a solicitation of an offer to buy, any of such Debentures. The offer is made only by means of the Prospectus.

\$175,000,000

American Telephone and Telegraph Company

Thirty-Five Year 2½% Debentures

Dated August 1, 1945

Due August 1, 1980

Interest payable February 1 and August 1 in New York City.

Price 100% and Accrued Interest

Copies of the Prospectus may be obtained from only such of the undersigned as may legally offer these Debentures in compliance with the securities laws of the respective States.

MORGAN STANLEY & CO.

BLYTH & CO., INC.

THE FIRST BOSTON CORPORATION

GOLDMAN, SACHS & CO.

HARRIMAN RIPLEY & CO.

KIDDER, PEABODY & CO.

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PAINE, WEBBER, JACKSON & CURTIS

DEAN WITTER & CO.

WHITE, WELD & CO.

July 24, 1945.



THE OLD STORY'S GONE STALE

THIS after-war period is going to be a new age, not just a resumption of what we were doing before the war. You can't drag out old molds, forms and dies and start in where you left off around Pearl Harbor time.

No material has made the strides that plastics have made in new wartime applications.

No company has shown more of the pioneering spirit than Erie Resistor in exploring new methods, new applications, new combinations of essential characteristics.

Tell us what your product must have in mechanical strength, temperature range, electric insulation, delicacy and permanence of color... if there's a solution in terms of plastic,

Erie Resistor can give you the answer.

First in the field of Custom Injection Molding, and first in some other developments whose revelation will have to wait on V-J Day, we might, given the opportunity, be the first to show you the way to cheaper production, or a better product with greater sales appeal, or both.

Let's get our heads together on a more practical grip for that portable electric tool—a case that's cheaper to make and faster to sell for that new alarm clock—a toilet set that will make milady's dressing table rival Marie Antoinette's.

For plastics compounded with brains and molded with art, call on Erie Resistor.

BUY MORE WAR BONDS



Plastics Division

ERIE RESISTOR CORP., ERIE, PA.
LONDON, ENGLAND • • TORONTO, CANADA



the veteran buys only a quart every three weeks, his tax outlay over six years by such purchases will come to \$13.

All this, however, lies in the future and the State House economists haven't frightened G.I.'s. Twenty minutes after the bill had been signed a soldier had appeared to claim his bonus.

Rail Tax Reform

New constitution, ready for Georgia's voters, contains a clause aimed at an immunity which three roads have now.

On Aug. 7, when Georgians vote on a new state constitution, they will decide the fate of a tax reform that is designed to do away with an advantage enjoyed by three railroads.

The roads involved are (1) the Georgia R.R., (2) the South-Western R.R., and (3) the Augusta & Savannah R.R. The first road is owned by the Georgia Railroad & Banking Co. and operated under joint lease by the Atlantic Coast Line and the Louisville & Nashville R.R. The other two roads are operated under lease by the bankrupt Central of Georgia R.R.

• **0.5% of Net Income**—For many years Georgia has grudgingly accepted 0.5% of the net income of the three roads, in lieu of ad valorem tax payments, as provided in charters granted by the state in the 1830's. Up to now, efforts to change this have been defeated in the courts, including the U. S. Supreme Court.

The new constitution contains a clause to eliminate all special tax exemptions. Ratification is expected, and proponents believe that, even if another court contest should be necessary, the state will have strengthened its case against the railroads.

• **Arnall Wins His Point**—The Georgia R.R., the state's oldest, was the one most often mentioned in the arguments over the drafting of the new constitutional provision. Gov. Ellis Arnall warned the 23-member commission which was doing the revising that, if the Georgia R.R.'s immunity were continued, he would insist on similar immunity for "every bus company, every railroad, and every taxpayer in Georgia." Arnall won his point.

In an informal report, A. J. Young, rate expert of the Georgia Public Service Commission, estimated that in 1939 an ad valorem tax on the Georgia R.R.'s 213.95 mi. of untaxed road would have yielded \$14,617.06 for the state and \$81,384.45 in local taxes in 14 counties. Instead, in that year, the railroad

paid the state \$3,799.93 under the income payment system.

No Income, No Taxes—Under the system now in use, the roads pay no taxes when they show no net income. Thus, in 1930-1944 period, the Augusta & Savannah and the South-Western paid the state a total of \$10,676.41 in income tax payments. Young estimated that the two roads, if subject to ad valorem taxation, would pay the state and 19 counties a total of \$171,407.22 a year.

Georgia itself is in the railroad business as owner of the 137-mi.-long Western & Atlantic R. R. The line is under lease to the Nashville, Chattanooga & St. Louis R. R. until 1969 at an annual rental of \$540,000, plus \$60,000 a year in improvements by the lessee. Now valued at about \$22,000,000, this road—being state-owned—is tax-free.



TO IMPROVE RELATIONS

Taking a leaf from industry's book, New York's Assn. of Stock Exchange Firms has installed a personnel counselor—Jane Bloodworth—to advise on labor problems, to guide the way for improving personnel policies and practices generally. Miss Bloodworth leaves the Second Regional National War Labor Board office where she was chief of the section handling wage problems of New York's financial district. Previously she was employed in making federal labor market surveys, was former state director of women's work for the Minnesota Relief Administration.



A Million and One Items for A NATION at WAR

America's daily output of war matériel is still the vital essential for victory. It includes goods of every conceivable kind and for every imaginable purpose. At the same time, industry must continue its production of goods for civilian needs.

To do its part in keeping these millions of shipments, unequalled in transportation history, moving in a steady and efficient flow will be the major responsibility of Railway Express until victory is won. Then, our nation-wide service by rail and air will be devoted wholly to the job of moving peace time shipments.

BUY MORE

WAR BONDS



NATION-WIDE

RAIL-AIR SERVICE

PRODUCTION

Army Puts Cannon in Cans

War materiel is sealed in nitrogen-filled drums of steel or aluminum for preservation until date of use or sale. Method solves a big storage problem and does away with degreasing.

The Army is canning war materiel. Big guns, antiaircraft weapons, bazookas, and other surplus items are being sealed in steel or aluminum containers preparatory to storage for the next war or for future sale. The program started last April and, without fanfare, has been going on at Baltimore, Philadelphia, Ambridge, Pa., Chicago, and Rock Island, Ill.

• **500,000 Tons of Metal**—When completed, some 10,000,000 tons of materiel will be stowed away and kept from deterioration by nitrogen atmosphere or a special dehumidifying vent in containers that will require 500,000 tons of metal. These containers will, in themselves, constitute a big stockpile of scrap, when they have to be opened up again, but the advantages of the cans are so striking that even conservative ordnance officers are glowing.

Most of the work is being done by the Glenn L. Martin Co., Baltimore; the American Bridge Co., Ambridge; and the International Harvester Co., Chicago, the latter specializing in research correlation. Martin, because of cutbacks in plane production, is using the aluminum can. American Bridge is making steel cans. Research was done by the Massachusetts Institute of Technology, Johns Hopkins, Cornell, and Northwestern universities, with later aid from Akron University. Frankford Arsenal at Philadelphia has specialized in canning fire control equipment.

• **Nitrogen Displaces Air**—Steel cans of suitable shape and size that can be welded hermetically tight are lowered around a 90-mm. gun, for example, and sealed shut after nitrogen has been pumped into them to displace the air. Nitrogen is an inert gas which can't, of course, cause oxidation and is used because it is cheap and available in practically all army installations. It costs about 1¢ a cu. ft., and \$20 worth will preserve a 90-mm. gun.

Steel cans must be painted. Aluminum cans must be painted on the bottom when stored on wet soil. Being heavier, steel adds a slight cost in freight, which the Army is not worrying about, because much more will be

saved by storing the cans outdoors instead of having to build warehouses.

• **The Storage Problem**—After the World War, the Army had to build 2½ times as much storage space as it then had to put its left-over war materiel under cover. What warehouses would cost for present stocks is a staggering figure because there is so much more surplus. For instance, we had 9,000 pieces of artillery in 1940 and have 750,000 now. One estimate is that present warehouse space of 20,000,000 cu. ft. would have to be increased to 300,000,000 cu. ft.

Aluminum containers could conceiv-

ably spring a leak at the seams under thermal stress such as tropic heat or Arctic cold, hence an air vent using silica gel as a dehumidifier is built into them. Davison Chemical Co., Baltimore, makes the air breathers. Aluminum sheets range from 20 gage to one-eighth inch; steel from 16 gage to one-fourth inch, depending on what must be packaged.

• **For the Pacific, Too**—New guns, engines, and other weapons will be canned at the factory for shipment to present Pacific war areas so that they will arrive ready for use or packaged for storage if the war ends before they are needed.

One of the biggest advantages in the canning method of preservation is that it will permit dispersal of war stocks for storage almost everywhere—in hot humid areas as well as in dry areas. They need not be lumped in warehouses where enemy pin-point bombing could blow up a whole dump. And in case of a future threat to peace, such as the tense period that preceded Pearl Harbor, they will already be located where needed.

• **Degreasing Eliminated**—A program of readying war stocks by degreasing



CATERPILLAR'S FURNACEMAN

Runblowing right out of an openhearth furnace of Timken Roller Bearing Co., Canton, Ohio, the burly bulldozer again proves its versatility by clearing out the slag in a fraction of the time required by manual labor. Slag deposits lining the furnace walls are drilled with a jackhammer first, then blown loose by a Cardox (carbon dioxide) cartridge, and loaded on to the Caterpillar Tractor-Traxcavator—a modified bulldozer—which carries them to trucks outside. Normally, it takes 30 men six days to clean out the slag by hand, but the diesel tractor, with six men, polishes off the task in only two days.



Mr. Friendly and the Worry Warts

"WHAT'S THE TROUBLE HERE!" roared Vice President McKeachie as he stormed into Personnel Manager Stilson's office. "Assembly line's slowing up, production's falling off, and the men look worried."

"Well sir," stuttered Stilson, "It's the warts! All the employees seem to have them. Haven't you noticed?"

"How could I help it!" snorted McKeachie, and he looked cross-eyed to see if there was a wart on the end of his nose. "But what's to be done?"

Then in walked Mr. Friendly, the American Mutual Man. "Just leave that to me," he said. "Warts, eh? Nothing but Worry Warts. Lucky I popped in."

And he waved an American Mutual Group Accident and Health Plan in front of them.

"It's perfectly simple," he continued, "Worry Warts are caused by worry. The whole epidemic comes from your workers worrying over illness... not being able to pay doctor bills

...or being unable to care for their families if they should get hurt. This little paper takes care of those things just like that!"

Mr. McKeachie stopped crossing his eyes to look at his nose.

"Why, it's the best cure I know for 'off-the-job' accident worries," Mr. Friendly said, "Just sign here. Watch the warts go and plant morale shoot sky high!"

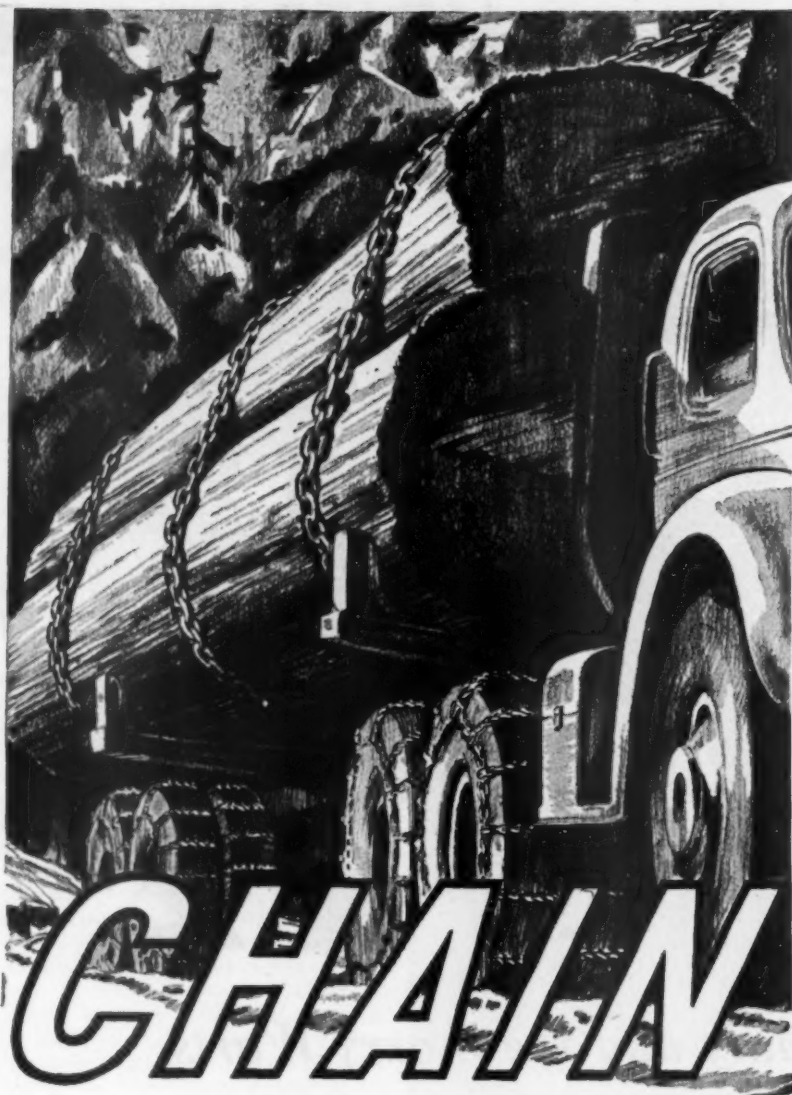
Mr. McKeachie reached for a pen. And when the news was announced, you couldn't hear yourself think for the noise of those Worry Warts dropping off all over the plant!

FREE!... Just in case some of the men in your plant may have worry warts, it'll pay you to look at the folder outlining the American Mutual and Affiliate Group Accident and Health Plan. You can read it in ten minutes! Write Dept. B-16, American Mutual Liability Insurance Company, 142 Berkeley Street, Boston 16, Massachusetts.



*Your helping hand
when trouble comes!*

AMERICAN MUTUAL...the first American liability insurance company



FOR THOSE IMPORTANT JOBS!

International makes chain for every essential need: Industrial, marine, farm, automotive. And International's manufacturing and service facilities are complete in every detail.

INTERNATIONAL CHAIN & MFG. CO.
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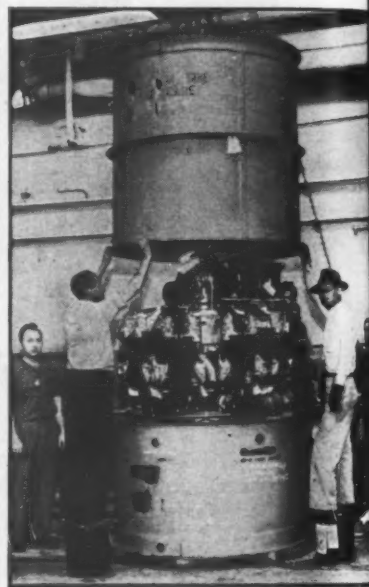
The
CAMPBELL
Line



them in warehouses and shipping them to strategic points, as was necessary under the old storage system, would give an enemy the chance to say that the U. S. was making warlike preparations. Canned guns need not be greased and are ready for immediate use.

Canned war equipment, 40-mm. and even big 90-mm. guns, can be floated ashore from ships, and cylindrical cans can be rolled. All are hoisted easily because constructed to take hooks. They open with an acetylene torch—in the case of smaller cans—with a key like one on a sardine can. Steel containers will weigh from 10% to 15% of the gross, and aluminum 5%, which makes an average below that of wood.

• **Credited to Campbell**—The idea of using metal cans is credited to Maj. Gen. Levin H. Campbell, Jr., chief of Army Ordnance, who experimented with a few hundred dollars and cans holding oil as a preservative, back in the twenties when he was chief of production at Rock Island arsenal. It annoyed Campbell that so much of his



CANNED ENGINES

Technicians at Robins Field, Ga., lower the lid of an experimental "can" developed by the Air Technical Service Command for safe overseas shipment of replacement engines for war planes. Made of boiler plate, the 10-ft. cans are sealed after being packed, then filled with air at 5-lb. pressure. Advantages: The bulky but buoyant container can be retrieved if a ship is sunk, can be rolled along without the help of tractors or trucks.

American as the Covered Wagon



Pioneering — With Machine Tools To Provide More And Better Things — More Jobs — For More People

THE courageous spirit that spurred Americans of an earlier day to set forth in covered wagons to conquer the wilderness, plains, and mountains of the West — the spirit of the pioneer — the will to explore beyond the frontier of the present — carries on in our industrial world of today.

That spirit is research — our ceaseless seeking for higher standards of living and working — for new and better ways of making and doing things. It's part of our American tradition to progress — to break with time-worn accepted practices if we can improve or accomplish more in less time or create anew and better.

And nowhere is the American drive toward progress more manifest than in our machine-tool industry. New, amazing machine tools have been and are being created to machine new, lighter, tougher metals, with record-breaking precision and speed.

These new, high-speed, precision-production machine tools will enable many industries to make the most of their individual pioneering and research — to produce more and better products — to increase their workers' earnings — to found new industries — to create jobs — to find new markets — to help sustain America's high economic levels and standards of living for all.



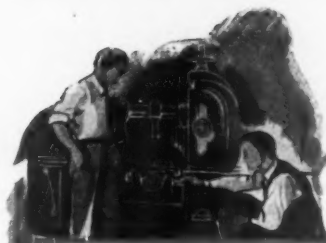
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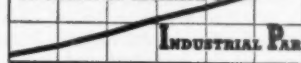
Recognize and respect the wearer of an Honorable Service Button. It is a badge of honorable service issued by our Government to veterans of the Army, Navy, Marine Corps and Coast Guard.

Milwaukee Machine Tools

BETTER PRODUCTS — BETTER EARNINGS SPRING FROM BETTER MACHINE TOOLS



PLAN YOUR BUSINESS FUTURE
IN TERMS OF AMERICA'S



★ Industrial records prove that output per man-hour increases at the rate of approximately 50% every ten years. This National Industrial Par is the foundation of American industrial leadership and high living standards.

★ Elimination of waste — plus improved production techniques — plus the most modern machine tools are the controlling forces that increase output per man-hour and cut production costs.

★ Ability to cut costs — not the cost of the tools themselves — are the deciding factors in determining machine tool needs. At least 10% of the total machine tool investment should be set aside yearly for machine tool replacement to enable your company to cut production costs — attain or excel Industrial Par.

PLAIN TALK ABOUT PLASTICS

Come now, how
up-to-date
on Plastics
are you, really?



Since plastics went away to war a lot has happened to them... entirely new formulations, new properties added to old ones, making possible new techniques, and new achievements no one thought possible a few years ago...

Today there are new thermoplastics with heat resistance limits above the boiling point, e. g., Monsanto's Styramic* HT and Cerex*. If you manufacture radio, electronic or electrical parts, surgical instruments, sanitary goods, tableware, think what that means!

Then there's a whole new series of coatings for extending the life and service of textiles through vinyl butyral.

Monsanto has a new plastic (Thalid*) for laminating fabric, glass cloth, veneers into forms and panels of almost unlimited size, shape and interest. Furniture makers, boat builders, aircraft and luggage makers, note especially!

If you are introducing a new product, or reintroducing an old one, you owe it to yourself to keep informed about these and other plastics—even while they are still not generally available. Why not ask us to place your name on Monsanto's Plastics mailing list? ... learn about plastics through the family of Monsanto Plastics, one of the broadest and most versatile in the industry. There's no charge, of course, no obligation, simply address: MONSANTO CHEMICAL COMPANY, Plastics Division, Springfield 2, Mass.

*Reg. U. S. Pat. Off.



appropriations money went into maintenance when he wanted to use it for research and for more production.

Col. F. I. Gilbert, now in charge of the canning program, says that the old greasing method of rustproofing machinery costs 10% of the value of the equipment for each annual overhaul.

• **Obsolescence Factor**—The Army admits that much 1945 war materiel will be outdated in a few years and therefore plans to can only items expected to remain useful for a long time. In general, transportation and communication items such as trucks and radio will not be canned. Radio is an advancing art, and trucks can always be found in civilian use, whereas gun telescopes, range finders, small arms, and special weapons can not. Rubber tires probably will be canned for the guns they fit. Col. Gilbert says that the rubber on gas masks canned in the 1920's was as good as new when examined in 1939. He is making experiments now to discover what nitrogen does to rubber. Leather can also be canned.

• **Safeguard for Lenses**—Optical instruments present a special problem in tropical countries where a fungus etches lenses and ruins them. Canning will prevent this because the fungus can't grow without oxygen. The wax insulation in radio and fire-control items on guns melt in temperatures above 170 F. Such items in cans may have to be kept out of the sun.

Biggest stocks now being put into cans are antiaircraft and aircraft guns, the first because Japan hasn't got the planes Germany had to bomb bases, the second because of the cutback in our plane production.

• **For the Home?**—Civilian uses of nitrogen-containing cans loom large. Army men in humid Pacific islands have long used powder cans for storing woollens safe from mildew, insects, and moisture. In a few years, women may store their fur coats in containers of aluminum or magnesium in which small "bombs" of nitrogen can be released.

GLOBAL PARTS DEALER

From a vast supply depot at Mechanicsburg, Pa., the Navy administers a world-wide distribution of spare parts—items ranging from ball bearings to multi-ton turbines. In the past year, according to Vice Admiral E. L. Cochran, chief of the Bureau of Ships, the maintenance and repair job in the Pacific has more than doubled.

The Navy's spare parts requirements for internal combustion engines alone, it is estimated, will be \$444,000,000 in 1945, more in 1946. Factors contributing to the problem include: (1) an increase in internal combustion horse-

power in service from 500,000 hp. on Jan. 1, 1943, to 52,390,500 hp. on Jan. 1, 1945; (2) the fact that vessels are growing older (20% are more than three years old); (3) damage in landing operations and under combat conditions.

Tests for Tannin

Chemist experiments with 200 different woods in effort to find substitute as blight threatens supply of chestnut.

Because the spreading chestnut tree is rapidly disappearing, development of new sources of tannin by a University of North Carolina chemist is being watched closely by the leather industry.

• **At Work Five Years**—Under sponsorship of the General Education Board of the Rockefeller Foundation, Dr. Alfred Russell has spent five years studying natural tanning materials of the Southeast. His search has been spurred by the blight that threatens to eliminate chestnut trees as a tannin source within 10 to 15 years.

Indirectly, the experiments considered the need for reforestation and the requirements of paper manufacturers for pulpwood to convert into paper pulp. Wood chips are first processed for their tannin content, then are pulped. Slash pine, according to Russell, can be pulped satisfactorily, but its rate of reforestation is slow.

• **Pilot Plant**—Another tanning product, quebracho extract, obtained from trees that grow chiefly on the pampas of northern Argentina and southern Paraguay, is expected to be unavailable within 20 to 30 years.

Russell established a small experimental tannery which contained all the necessary equipment for experimental leather-making from pickled stock. There preliminary work was undertaken with further tests made by leather chemists. Samples of some 200 species of wood have been obtained from an area of about 468,000 sq. mi. in the Southeast.

• **Usable for Skivers**—Two of the more promising tropical sources of tannin—buttonwood and Darling-plum—have been widely tested. Buttonwood has been found a highly promising material. Darling-plum may be used as a tannage for skivers, cheap leather made from the grain side of a split sheepskin tanned and dyed. Domestic sumac has been found to stack up remarkably well with Sicilian sumac.

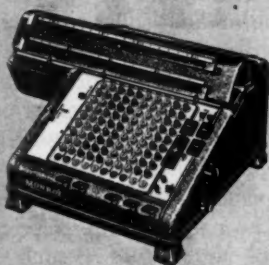
Many incidental materials also found their way into Dr. Russell's laboratory. He describes the new stumpage of Cali-

MONROE

CALCULATING • LISTING • ACCOUNTING MACHINES



Monroe Accounting Machine
209-685-191



Monroe Adding-Calculator AA-1

Operators Who Know Prefer the MONROE

"I'll take Monroe" is a common expression among operators everywhere once they have used a Monroe machine. They instantly appreciate the "Velvet Touch" of the keyboard, the speed and simplicity—the ease of operation that defies fatigue—the first-time accuracy—the unique appeal of fine design and construction. There are a dozen real reasons why "Operators Who Know Prefer the MONROE".

Monroe Listing Machines—like Monroe Accounting Machines—stem from the progressive-minded engineering skill responsible for the Monroe Adding-Calculator . . . for thirty years the world's standard Calculating Machine.

Let our representative explain the Monroe Simplified Pay-roll Plan and the advantages of being Monroe-equipped for all of today's vital figuring and accounting needs. Nationwide systems service and maintenance through Monroe-owned branches assure peak efficiency at low upkeep cost.

Monroe Calculating Machine Company, Inc., Orange, N. J.

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Great numbers of Reliance Motors are at work on jobs where they are exposed to unusual and difficult operating conditions. These may include moisture, acid fumes, dust, extremes of heat or cold, or other punishing service demands. Whatever the requirement, these Reliance work horses are standing up and giving satisfactory long-term service.

It's a good rule to talk over your motor problems with a Reliance Application Engineer. The answer may call for a standard or special motor but, whatever the problem may be, Reliance can usually help you work out a satisfactory solution.



RELIANCE ELECTRIC & ENGINEERING CO.
1069 Ivanhoe Road • Cleveland 10, Ohio

Birmingham • Boston • Buffalo • Chicago • Cincinnati • Detroit • Greenville (S. C.) • Houston
Kalamazoo • Los Angeles • Minneapolis • New York • Philadelphia • Pittsburgh • Portland
(Ore.) • St. Louis • San Francisco • Syracuse • Washington, D. C. • and other principal cities.

RELIANCE ^{AC} _{DC} MOTORS

"Motor-Drive is More Than Power"

fornia redwood as the most promising. Tests, using picked half calfskins, have indicated that this stumpage extract would prove very satisfactory for calfskin upper leather.

• **Doubts Value to Farmer**—However, although he has not as yet encountered a material which he believes would justify establishment of an extract industry in the Southeast, he does believe redwood might justify an extract plant even though it has not been entirely satisfactory for heavy leather.

Dr. Russell doesn't believe farmer would be justified economically in growing trees for tannin as they grow pecan trees, for example; but he does feel that reforestation programs directed toward replenishing some of the tannin sources he has found would prove highly advantageous to the nation.



SCIENCE AND BEAUTY

C. L. McCuen, General Motors vice president in charge of engineering, points out for two other vice-presidents—Charles F. Kettering (center) and Harley J. Earl—the features in a scale model of the company's projected 350-acre technical center. The multimillion-dollar project, to be constructed 15 miles northeast of Detroit, will provide facilities for research, advanced engineering, styling and process development. It will be a highly functionalized showplace; a esplanade will surround a seven-acre lake—a scenic centerpiece to provide cool water for research purposes.

New Valve Alloy

Improved resistance to corrosion and deformation makes material desirable for use in high-temperature engines.

To be ready for the requirements of higher engine operating temperatures, Eaton Mfg. Co.'s Wilcox-Rich Division has developed a new alloy valve material, named Eatonite. It is said to possess improved qualities of resistance to corrosion and deformation.

• **Costs Are Higher**—Eatonite is made of materials common in special tool steels, including nickel, chrome, cobalt, tungsten. In laboratory tests it operated an equivalent of 200,000 mi. of driving without requiring refacing—many times the normal expectation.

Because the new material costs more than orthodox valve steels, automotive use may be limited for some time. But where performance requirements far overshadow costs—as in plane, truck, tractor, and bus engines—Eatonite may find an immediate postwar place for itself. It is already being used in plane, ship, and combat vehicle installations.

• **Problem Intensified**—The idea of a material like Eatonite started 25 years ago, with the first development of steels which would resist oxidation at high temperatures and retain hardness. Wilcox-Rich itself used a cutting tool alloy for valve facing in the early 1920's.

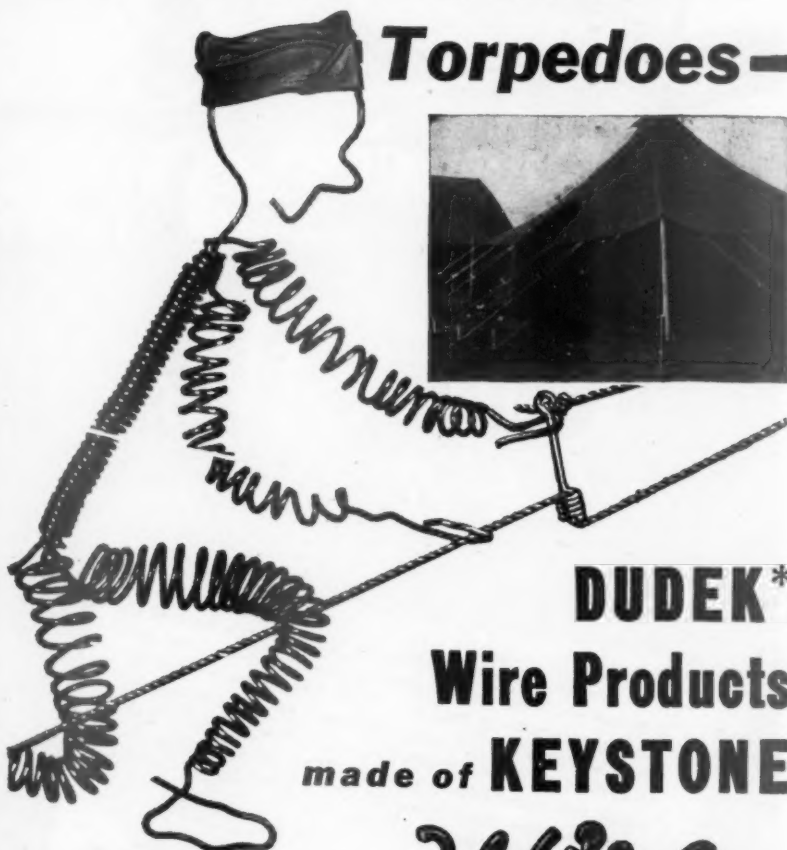
When antiknock fuels came on the market, the valve problem was intensified, because even though the tool alloys held hardness and resisted oxidation, they were found vulnerable to the corrosive elements in ethyl compounds. Too, the antiknock fuels brought higher engine compressions, which increased operating temperatures.

• **Pick Up Little Deposit**—Laboratory tests establish the virtues of Eatonite dramatically. In a highly corrosive solution, it lost 10.5% of its body while a standard valve alloy lost 95% and another standard alloy 100%.

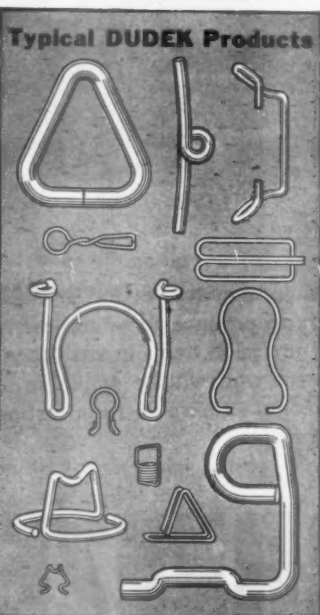
Set into a high output supercharged engine, Eatonite-faced valves picked up comparatively little stem deposit in comparison with a high nickel-chrome alloy valve and a tool steel valve. Company officials report that corrosion tests in a heavy-duty L-head engine showed similar results.

Hardness testing at various temperatures showed that Eatonite has approximately the same hardness as tool steel and considerably more than standard valve steel at room temperatures, and retains hardness appreciably better than either above 1,000 F.

For Tents - Tanks - Torpedoes -



DUDEK*
Wire Products
made of **KEYSTONE**
Wire



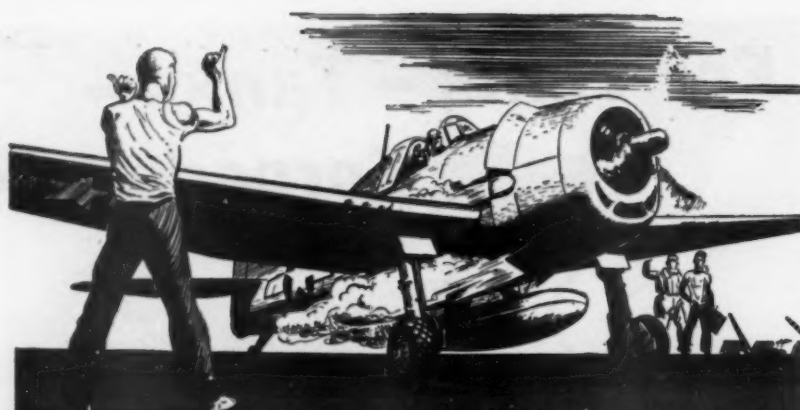
A large percentage of Dudek products are made from wire, resulting in items of every conceivable shape and form. These items serve as essential parts of planes, tanks, torpedoes and other materiel... literally thousands of uses.

The adaptability of Dudek's production is fully matched by the Keystone wire used. Keystone **UNIFORMITY** in tensile strength, analysis, gauge and finish are vitally important factors in Dudek's quality products.

*William Dudek Manufacturing Company
Chicago, Illinois

KEYSTONE STEEL & WIRE CO.
PEORIA 7, ILLINOIS



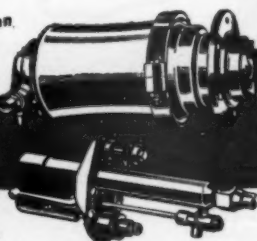


Carrier War and the Breeze Starter

**CARRIER
WAR**

"To start the engine of an F6F fighter, you don't press the button of an automobile-type self-starter (that would be too heavy), and you don't spin the prop by hand a la World War I (no man would be strong enough to turn it). Instead you insert a little explosive charge which looks like a shot gun cartridge in a firing mechanism under the engine, then close a little door. The pilot in his cockpit simply presses an electric button, the cartridge fires like a pistol, and the resulting gust turns over the engine".

—from **CARRIER WAR**, by Lt. Oliver Jensen
U.S.N.R.
(Simon and Schuster 1945)



Breeze Cartridge Engine Starter and Breech
Manufactured under Coffman Patents

As the powerful aircraft engines of the U.S. Navy's hard-hitting carrier squadrons thunder to life under the 30-ton thrust of the Breeze Cartridge Engine Starter, other Breeze products take over to protect crew and communications throughout the attack . . . Breeze Radio Ignition and Secondary Shielding to eliminate radio interference . . . Breeze Multi-lectric Connectors to maintain vital electric circuits . . . and Breeze Armor Plate to help bring back trained personnel and valuable equipment. When final victory has been won, the same engineering research and resourceful-

ness in manufacture that enabled Breeze to produce these and many other precision items in vast quantities for war, will be available to aid manufacturers in reconverting for peace.

BREEZE

Corporations Inc.

NEWARK 7  NEW JERSEY

NEW PRODUCTS

Telephone Holder

Newest accessory for minimizing manual labor in telephoning is the Exec-Arm, scheduled for immediate production by the Edward B. Windsor Co., 922 N. 4th St., Milwaukee 3, Wis.



purpose is to support the transmitter receiver of a cradle-type instrument in such a way that the user's hands are both free to make notes, shuffle papers or just to doodle.

The device, which may be swung out of the way when not in use, consists of a curved, tubular steel arm, 20 in. long, equipped with a clamp at each end. One clamp attaches to the edge of a desk; the other, which has an adjustable universal joint, holds the phone at any angle most comfortable for a particular user. Between calls, a separate clamp presses down the button or bar circuit breaker atop the phone's cradle.

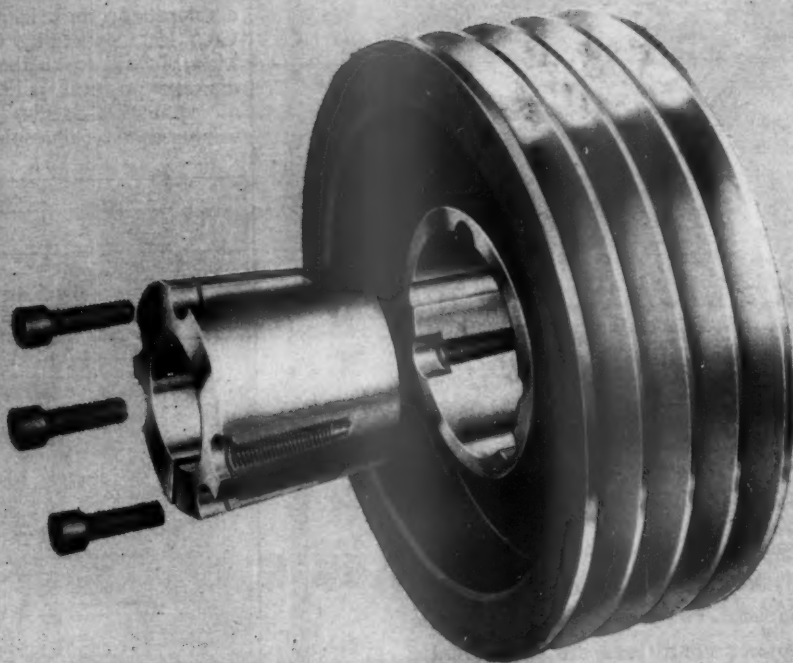
Plastic Wrap

Liquid Envelope is the new name for a tough, abrasion-resistant, chemical- and moisture-resistant plastic film, formulated from a vinyl-polymer base by Better Finishes & Coatings, Inc., 268 Doremus Ave., Newark 5, N. J., that is being used for enrobing thousands of fighter planes completely from nose to tail prior to ocean shipment. Applied by hot spray, cold spray, cold dip, hot dip, or brush, the material is said to air-dry in about 10 min. and to force-dry under heat in 2 min. Although the film strength reaches 2,000 lb. per sq. in., it is stripped readily at destination.

Actually the coating used on fighters is only one of several vinyl formulations devised by the company for packaging a wide variety of military items ranging

New TAPER LOCK Sheave

PATENT APPLIED FOR



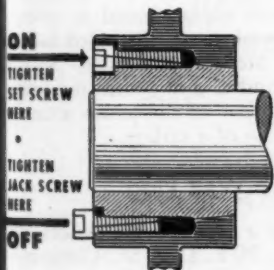
Here is an entirely new type of taper bore sheave. It is the simplest, surest mechanism ever devised for holding wheels to shafts. No flange. No collar. No protruding parts. It breaks all speed records in mounting and demounting—saves time and temper.

It is another achievement of Dodge Transmisioneering.

For details call the Dodge Transmisioneer, your local Dodge distributor. You'll find his name under "Power Transmission Equipment" in your classified phone book. Or write



DODGE MANUFACTURING CORPORATION, MISHAWAKA, INDIANA



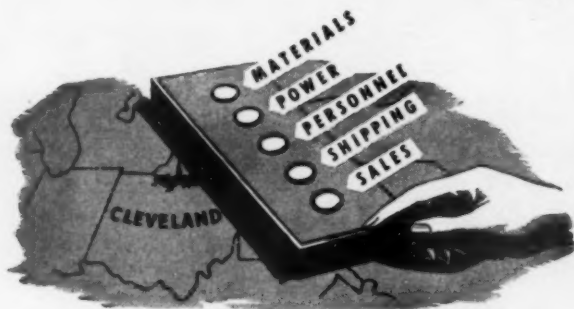
Sign of the Dodge Transmisioneer

There are 257 Dodge Factory Graduate Transmisioneers, located in principal cities, to show you NEW and BETTER ways of transmitting power.

DODGE

MISHAWAKA

"HALFWAY TO EVERYWHERE"



... an answer to many vital management problems

MANAGEMENT problems find swift solution in strategically located Cleveland.

Abundant raw materials are near at hand. Excellent transportation via water, rail, highway and air assure fast, low-cost shipments. Power facilities are more than adequate. Man-power conditions are traditionally stable. Add to these the obvious advantages of centralized distribution, with 54% of the buying public located within a 500 mile radius.

Cleveland merits serious consideration in your relocation or postwar expansion plans. You are invited to inquire in confidence of this bank, for information and assistance.

THE NATIONAL CITY BANK OF CLEVELAND

Enclid at



East Sixth

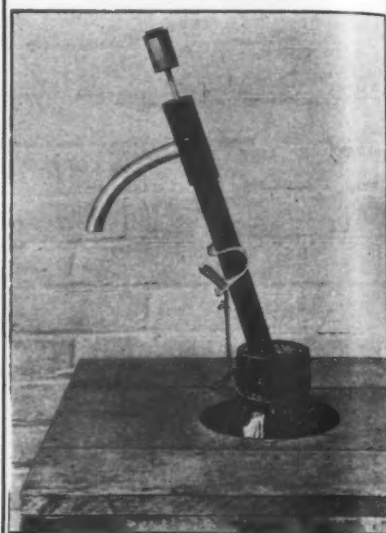
1845—ONE HUNDREDTH YEAR—1945

Member Federal Deposit Insurance Corporation

from boxes of X-ray film to machine guns and spare connecting rods for airplane engines. With the relaxation of war demand, film applications are expected to run all the way from small tools and plumbing fixtures to furniture, refrigerators, pianos, automobiles, whatever. The plastic wrap can be transparent or opaque in a full spectrum of colors including white, black, and pastel.

Safety Pump

Primary job of the new Safety Pump, developed by the Alden Speare's Sons Co., 156 Sixth St., Cambridge 42, Mass., is said to be the risk-free withdrawal of practically all kinds and grades of commercial acids (except fuming sulphuric and chlorosulphonic) from a



carboy of 5-gal. to 13-gal. capacity. Since the acid-resistant plastic used in its construction is also unaffected by oils, alcohols, or water, the pump will also be useful in transferring syrups, flavoring extracts, perfumes, and other liquids that might be contaminated or discolored by a metal pump. Included in the equipment are an adjustable, spring hold-down and a cord tether for keeping the lower end of the pump securely on the bottom of a carboy.

Illuminated Wall Plug

Not quite a year ago the Associated Projects Co., 80 E. Long St., Columbus 15, Ohio, brought out the LumiNite electrically lighted wall switch plate whose inbuilt glow light reveals the switch's location in the dark (BW-Sep. 2 '44, p70). Now the company is bringing out the new LumiNite Safety Pilot Plug with a similar inbuilt lamp that glows continuously day and night yet is said to cost less than 2¢ a year.



ALUMINUM COMPANY OF AMERICA...

Service on all Magnesium Products

What alloy to use—Sand casting, die or permanent-mold casting, forging, shapes or sheet—you'll find help on this lightest of the light metals, Magnesium, as near as your telephone. Call any Alcoa office—

MAGNESIUM



PRODUCTS

AMERICAN MAGNESIUM CORPORATION

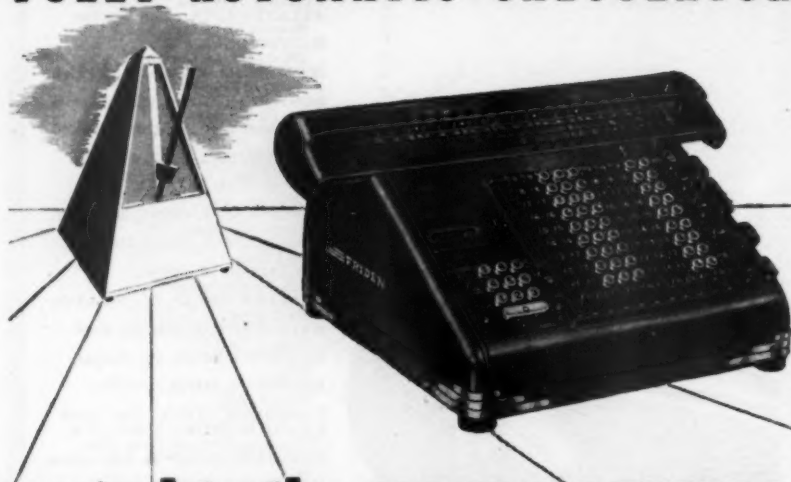
Sales Offices

AKRON 8, OHIO, 506 Akron Savings & Loan Bldg.
ALBANY 7, N. Y., 90 State St.
ATLANTA 3, GA., 1818 Rhodes-Haverty Bldg.
BALTIMORE 1, MD., 400 Baltimore Life Bldg.
BIRMINGHAM 3, ALA., 1320 First National Bldg.
BOSTON 16, MASS., 20 Providence St., Park Square
BUFFALO 7, N. Y., 1880 Elmwood Ave.
CHARLOTTE 2, N. C., 619 Johnston Bldg.
CHICAGO 11, ILL., 520 North Michigan Ave.
CINCINNATI 2, OHIO, 16th Floor, Times-Star Bldg.
CLEVELAND 1, OHIO, 1520 Midland Bldg.
COLUMBUS 15, OHIO, 526 Rowlands Bldg.
DALLAS 1, TEXAS, 821 Mercantile Bank Bldg.
DAVENPORT, IOWA, 918 Kahl Bldg.
DAYTON 2, OHIO, 302 Harries Bldg.
DETROIT 2, MICH., 610 New Center Bldg.
FAIRFIELD, CONN., Post Road
GRAND RAPIDS 2, MICH., 812 Michigan National Bank Bldg.
HARTFORD 3, CONN., 410 Asylum St.
HOUSTON 2, TEXAS, 1806 Commerce Building
INDIANAPOLIS 4, IND., 817 Merchants Bank Bldg.
KANSAS CITY 6, MO., 2300 Power & Light Bldg.
LOS ANGELES 14, CALIF., 108 West Sixth Street
LOUISVILLE 2, KY., 1154 Starks Bldg.
MILWAUKEE 2, WIS., 735 North Water St.
MINNEAPOLIS 2, MINN., 1060 Northwestern Bank Bldg.
NEWARK 2, N. J., 2706 Newark & Essex Bldg.
NEW ORLEANS 12, LOUISIANA, 911 American Bank Bldg.
NEW YORK 17, N. Y., 230 Park Ave.
OKLAHOMA CITY 2, OKLA., 1209 Apco Tower
PHILADELPHIA 9, PA., 123 S. Broad St.
PITTSBURGH 19, PA., District Sales, 1814 Oliver Bldg.; General Offices, Gulf Bldg.
PORTLAND 4, OREGON, 512 Porter Building
PROVIDENCE 1, RHODE ISLAND, 1421 Industrial Trust Bldg.
RICHMOND 19, VA., 213 Exchange Building, Sixth & Franklin Sts.
ROCHESTER 4, NEW YORK, 1331 Lincoln Alliance Bank Bldg.
ST. LOUIS 8, MO., 1002 Continental Bldg.
SAN FRANCISCO 4, CALIF., 615 Russ Bldg.
SEATTLE 1, WASH., 1411 Fourth Ave. Bldg.
SOUTH BEND 5, IND., 805 J.M.S. Bldg.
SPRINGFIELD 3, MASS., 301 Tarbell-Watters Bldg.
TAMPA 2, FLA., 401 Tampa Theatre Bldg.
TOLEDO 4, OHIO, 1804 Ohio Bldg.
TULSA 3, OKLA., 1405 Philtower Bldg.
WASHINGTON 5, D. C., 605 Southern Bldg.
WICHITA 2, KAN., 411 Fourth National Bank Bldg.

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Friden Fully Automatic Calculators are keyed to fulfill *today's demand* for accurate figure work production. Compute your payrolls, tax deductions, inventories, expense distributions and government figures with *unexcelled speed and absolute accuracy.*

Telephone your local Friden Representative and arrange for a demonstration of these modern calculators, *now available to every business.* Replace your worn or obsolete calculating equipment with an easy-to-operate FRIDEN...learn how the Calculator, not the Operator...does the work.

Friden Mechanical and Instructional Service is available in approximately 250 Company Controlled Sales Agencies throughout the United States and Canada.

FRIDEN CALCULATING MACHINE CO., INC.

HOME OFFICE AND PLANT • SAN LEANDRO, CALIFORNIA, U.S.A. • SALES AND SERVICE THROUGHOUT THE WORLD

THINGS TO COME

Blackened stainless steel may very well supersede bright, lustrous stainless steel in postwar surgical instruments, dental instruments, fishing reels, and other dissimilar applications where the glint of light on metal may seriously inconvenience a user. Blackened bottoms on stainless cooking utensils may speed the work of the kitchen by gathering rather than reflecting away the heat from range burners.

Since the blackening would consist of a thin, abrasion-resistant, chemical coating, the characteristic corrosion-resistance of the underlying steel would not be affected—a statement which is being amply proved by the current experience of the armed services with undisclosed applications. Since the coating is only about 0.00001 in. thick, it can be applied to the mechanical parts of business machines, sporting guns, textile machinery, machine tools, and even laboratory apparatus without materially affecting precision tolerances.

- One thousand tons of natural rubber, the amount formerly used annually to seal hundreds of millions of cans of food and nonfood products against leakage, may become a permanent wartime casualty. Sealing compounds based on synthetic rubber are being developed to a point where "leakers"—which had practically disappeared from the shelves of dealers and housewives—may come even more closely to the vanishing point. Because the synthetic material possesses higher resistance than the natural to oil, oxygen, light, age, and many of the other natural enemies of the elastomers, canned goods of the future may be expected to achieve new highs in keeping qualities.

for the small amount of current used.

The ivory plastic plug is equipped with twin prongs to slip into any standard convenience outlet and with two convenience outlets of its own for plugging in other electric fixtures. Since it is molded with a special, round, thin section which can be punched out for connecting the plug permanently to any appliance cord, the plug can accommodate a total of three fixture connections while serving as a pilot and safety night lamp.

MARKETING

What Price Cars?

OPA seeks to reconcile conflicting company attitudes with its own policies. Jeep ceiling provides new clews.

Viewpoints of the automobile companies on the price structure for their 1946 models are being summarized in a report being prepared by Office of Price Administration investigators after a plant-by-plant study in Detroit and other industry centers.

Variety of Opinions—When the OPA scouts sat down to write their findings and recommendations, they found themselves confronted by a variety of conflicting attitudes. Combining these with official Administration viewpoints and their own opinions on pricing poses a complicated problem.

A few of the auto companies, for instance, favor continued and fairly loose price control for a time as a defense against pressure for labor rate bumps which, they say, would be disproportionate with car prices that the public would pay. But most companies want an end to price controls as soon as possible.

Small or Large?—Similarly, there is divergence over the extent of price increases. Some smaller firms seek substantial advances, predicated on the necessity of overriding enlarged costs. Larger companies, however, might settle for rather small increases, on the ground that they will lose money anyway in the next several months before manufacturing volume enlarges, and another few dollars—or \$75 or \$100—per car will not matter much against the over-all cost picture. This latter viewpoint may likely strike the fancy of the price agency in its hold-the-line policy.

In any case, OPA will have to decide whether to set up an industry-wide price-increase factor, as it has done for smaller consumer goods, or follow the recommendation of some companies and work up a cost-increase formula which could be applied individually by each company to fit its own particular circumstances. Best information is that OPA leans toward the industry-wide factor approach for autos.

Criticism Feared—Viewpoints of automakers differ on the speed with which OPA should move. Within OPA it-

self, feeling seems to be that fairly fast action is necessary to avert possible public and congressional criticism that the agency is hamstringing reconversion by not pricing consumer products as important as automobiles.

But some car makers themselves, seeing little prospect of production and sales before the fourth quarter, are in no hurry to see a formula established. Some intercompany rivalry might figure in this position; Ford's early production start (BW-Jul.14'45,p21) will avail that company little if it does not have a price structure to use in marketing its product.

Jeep Ceiling Set—OPA's action this week in placing a ceiling of \$1,090 on Willys-Overland's civilian jeep (BW-Jul.21'45,p21) throws no light on the price agency's general policy on automobile pricing, since the jeep is a wartime development.

Combining the functions of passenger car, truck, tractor, and power take-off, the jeep provides no basis on which to guess prices of strictly passenger automobiles. The \$1,090 price is f.o.b. Toledo and does not include taxes or the usual extra charges for transporta-

tion, handling, and optional equipment.

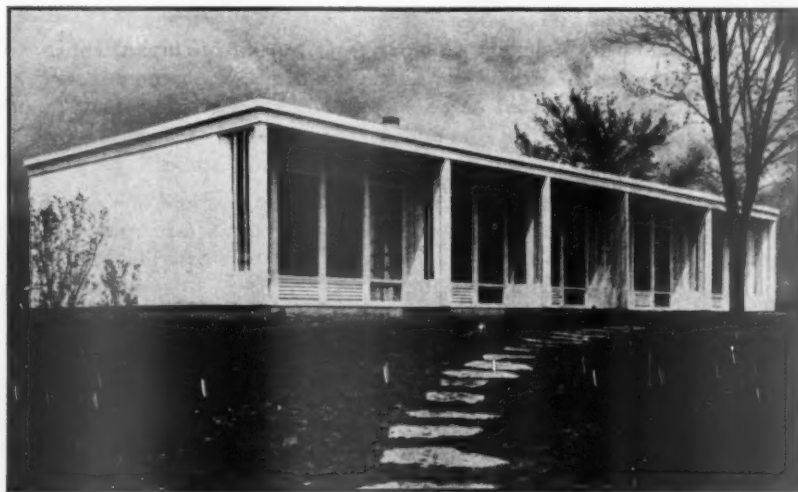
Steel Is Short—Meanwhile, efforts of the industry as a whole to get into fast production are being impeded by materials tightness. Most companies are getting little more than trickles of sheet steel with which to try out their dies and make a few handbuilt pilot models. But by the time the bulk of the industry swings into larger production 60 days or so hence, WPB expects that situation to be relieved.

Similar conditions prevail on textiles; prewar inventories will help the initial runs of a few makers.

Tin for body soldering and for a few scattered, but important, engine manufacturing requirements is a growing bottleneck, although one big producer now thinks it has a substitute which will bridge the difficulties.

Negotiation Basis—Parts delivery promises, on the whole, are fairly satisfactory. The components, like many of the materials requirements, are being ordered or shipped on a "price to be negotiated" or "P.I.E." (price in effect at time of shipment) basis.

This is quite satisfactory to the car manufacturers. But the parts companies, held down today by a price structure that they maintain must be raised, are looking at their P.I.E. orders with plenty of worry which can be



PREFABRICATED SOLAR HOUSE

Built to utilize the sun's heat, a completely equipped prefabricated house is open for inspection at Bradley Heights, Ill. The three main rooms, totaling 58 ft. 6 in. across, face south, with a bathroom and a utility room at the rear. The window-like south wall is largely glass. A three and a half foot overhang on the roof provides shade in summer, lets low-slanting winter rays in. Water on the flat roof affords extra hot-weather coolness; for extra heat, a gas-fired furnace drives hot air through the floor's hollow tiles. Cost of the furnished house, designed by Chicago's George Keck and built for Green's Ready-Built Homes of Rockford, Ill., is estimated at between \$6,000 and \$8,500.

ENCLOSED CLARE "Custom-Built" RELAYS

Provide
Trouble-Free
Operation for
WELTRONIC
Welding
Timers



Type "K" Sealed-in Relay

Welding timers have to stand the gaff. They are an important part of the production line which cannot lag from failure of individual units.

That's why the Weltronic Company of Detroit, Michigan, chose Clare Enclosed "Custom-Built" Relays as important components of their automatic weld and sequence timers. These trouble-free units are sealed against dirt and dust. The plug-in feature makes them as easy to service and replace as an electronic tube.

Clare "Custom-Built" Relays, enclosed in these dust and dirt proof covers, are the tiny Clare Type "K". The extremely fast operation of these small, compact units provides extremely accurate timing for each operation in the welding cycle.

Clare "Custom-Built" Relays give maximum reliability in such special functions because of the flexibility of Clare design which offers a relay that will give exceptional service, long life, and absolute dependability for the specific requirement.

Exceptional performance is being provided by Clare "Custom-Built" Relays for sequence control of machine tools, counting equipment, electric eye controls, in radio, radar and many other electronic devices. Your engineers should know all about Clare Relays. Send for the Clare catalog and data book. Address: C. P. Clare & Co., 4719 West Sunnyside Avenue, Chicago 11, Illinois. Sales engineers in all principal cities. Cable address: CLARELAY.



CLARE RELAYS

"CUSTOM-BUILT" Multiple Contact Relays for Electrical, Electronic and Industrial Use

More Magazines per Capita

Magazine publishers are doing business at such a rate, reports the Magazine Advertising Bureau of New York City, that there is now better than a magazine apiece for each of the 132,569,000 people that make up the U.S. population.

• Circulation of magazine-members of the Audit Bureau of Circulations has increased more than seven times between 1914 and 1944 until the total now of 136,704,561 exceeds the country's population. A.B.C. circulations per 100 persons rose from 18.1 in 1914 to 64.1 in 1929, to 100 in 1943, and to 103.1 in 1944.

The actual number of magazines and farm publications has increased from 54 in 1914 to 228 in 1944.

alleviated only by the early release of OPA of a schedule of increases.

• Service Work Picks Up—Most automobile companies believe that the public is beginning to realize that it will not have a great quantity of new cars in the near future. Behind this belief is the word that service work on cars in use has begun a modest new increase following the sharp slump earlier in the summer when many drivers momentarily expected to be able to buy new cars.

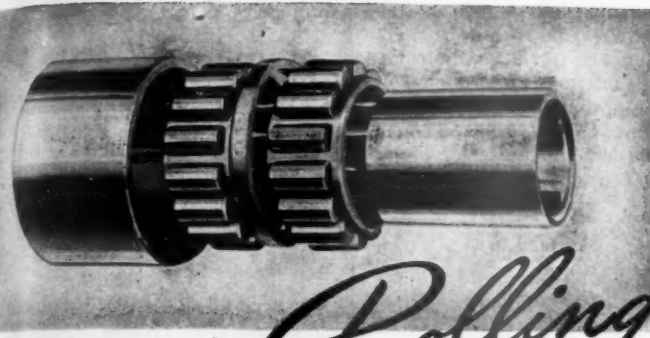
Another reason is the way the last of the 1942 models were whisked out of dealer showrooms when OPA released them for sale without ration certificate during July. The approximately 30% price increase, built up by storage charges, on the 6,000 remaining prewar cars was apparently no deterrent.

CURTIS IN REPRINTS

Consumer surveys will play an important part in the selection of titles and merchandising methods for Bantam Books, Inc., new publishing venture announced jointly by Grosset & Dunlap and Curtis Publishing Co.

For example, surveys may determine whether door-to-door "boy sales" will be used in selling the Bantam line of 25¢ paper-bound reprints—a method used successfully by Curtis before the war in distributing the Saturday Evening Post and Ladies Home Journal. However, the recent experiment of another reprint house, Pocket Books, Inc., with such sales in Canada through Liberty magazine's boys (BW—Mar. 24 '45, p91) is said to score a negative result.

When there is plenty of paper Ban-



Rolling, Rolling,

under the speeding train

Today, anti-friction bearings roll 'round and 'round on the journals of many railroad cars and diesel locomotives—speeding travel, smoothing rides and extending periods of trouble-free operation.

Carrying tons of weight at high speed, however, means wear, especially on the inner and outer races shown above, unless they are unusually and uniformly hard.

And UNIFORMLY hard they are—because they are made of electric furnace steel—a major part of which comes from Republic furnaces.

In electric furnace melting, steels

can be "targeted" to hit narrow product and processing specifications with an unvarying exactness possible in no other method of steel-making. Thus hardness can be accurately predetermined—as also can strength, toughness and other essential properties. And such uniformity enables manufacturers to improve product quality and at the same time realize the maximum benefits possible with mass production methods.

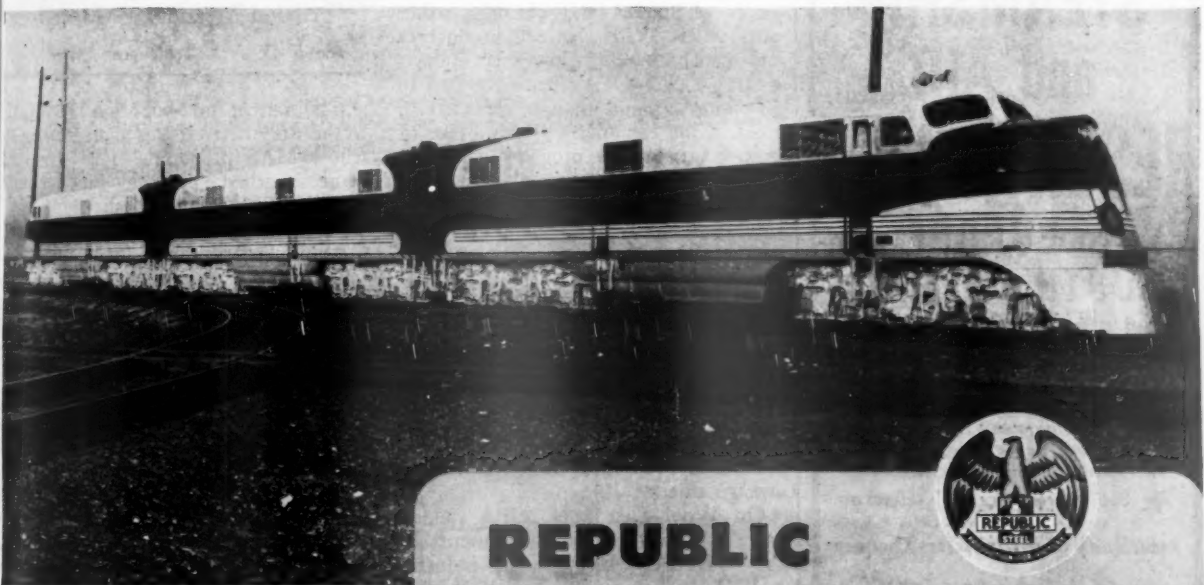
Republic Electric Furnace Steels are as CLEAN and SOUND as the most expert furnace practice can make them. They are free from small im-

perfections which, because they remain hidden until final inspection, cause the loss of many costly man- and machine-hours.

No matter what you make or intend to make after the war, there undoubtedly are parts which can be made better and cheaper with Republic Electric Furnace Steels. And Republic—world's leader in this field of steel-making—is ready NOW to help you use them to best advantage.

REPUBLIC STEEL CORPORATION

Alloy Steel Division • Massillon, Ohio
GENERAL OFFICES • CLEVELAND 1, OHIO
 Export Department: Chrysler Bldg., New York 17, N. Y.



REPUBLIC

—Leader in the Production of
ELECTRIC FURNACE STEELS

"QUALITY" steels . . . alloy . . . stainless

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MERIAM MANOMETERS

• These instruments are available in various types: "U-type," "Well Type" and other designs and styles such as "Clean-out" and "Gland Packed" to meet different pressure requirements—all employing the manometer principle for measuring drafts, flows of liquids and gases, levels of liquids in tanks, etc.

THE MERIAM INSTRUMENT CO.

10932 Madison Avenue • Cleveland 2, Ohio.
In Canada: Peacock Bros. Ltd. Montreal

SCHIELM



Choice of National Leaders

For 41 years we've been producing quality truck bodies and sales coaches for nationally prominent manufacturers, in many industries. Our engineering know-how and manufacturing experience are at your call. . . . consult our Engineers about your present needs for

- FLEET TRUCK BODIES
- SALES COACHES
- INDUSTRIAL TRAILERS

SCHIELM BROTHERS, INC. EAST PEORIA, ILLINOIS

STEAMSHIP and AIR RESERVATIONS

**to EUROPE,
SOUTH AMERICA
and other foreign countries**

For all Business and other Travelers permitted to go abroad under existing Travel Regulations. CALL, Write or Phone any American Express Office or Travel Bureau for the Latest Available Information.

★ For convenience and safety of funds we advise
American Express Travelers Cheques

**American
Express**

TRAVEL SERVICE
65 Broadway, New York 6

tam's sponsors plan to launch a full line of 20 titles—popular novels, non-fiction, humor, mysteries, anthologies—then add to this number at a rate of four titles a month.

Management control and editorial policy will be left to Grosset & Dunlap, which since a year ago has been owned jointly by Harper & Bros.; Little, Brown & Co.; Random House, Inc.; Charles Scribners Sons; and the Book-of-the-Month Club, Inc. Sales will be handled through the national magazine distributing organization of Curtis.

Ian Ballantine, formerly general manager of Penguin Books, is president of Bantam; Walter Pitkin, Jr., is editor.

Clothing Impasse

**OPA and WPB deadlock
on low-priced garment program.
Go to Economic Stabilization
Director for ruling on MAP.**

The joint WPB-OPA program for getting more useful, low-priced clothing onto the market is all snarled up.

Despite strenuous efforts on both sides to cultivate a more cooperative spirit, the two agencies still can't see eye to eye. WPB feels that stingy OPA pricing policies have held down production of fabrics for low-priced clothing. OPA says that its Maximum Average Price plans (MAP) for rolling back the prices of fabrics and clothing won't work unless WPB channels production and distribution into low-price lines.

• **OPA Yields**—OPA already has had to give more ground than it expected to yield in the customary give-and-take of making a new price program work.

The agency's original objective was to roll back both garment manufacturers and textile mills to the price pattern of the last half of 1942 and the first half of 1943 (BW—Feb. 24 '45, p17). OPA was forced to substitute the full year of 1943 for garments. Rayon manufacturers were rolled back to the first half of 1943, but almost immediately OPA came through with a temporary increase (presumably to be followed by permanent increases after further study) in the mills' maximum average prices.

• **On Wool**—Last week, OPA yielded again with a series of amendments to the wool MAP which give the industry a 1944 base period, allow temporary increases in the mills' maximum average prices, and exempt some low-priced mills entirely. This is in response to industry charges that the original MAP would have driven them to producing only shoddy.



NEW YORK SALESMAN

To meet intensified competition for midwest commerce from rival ports, the Port of New York will open a Chicago office in October. Its manager will be George H. Weiss, a native New Yorker, until recently with the Chicago Journal of Commerce's marine department. Like those of other port agencies in Chicago, New York's office will contact the area shippers, work with rail and ship lines to get freight routing through the New York-New Jersey port gateway.

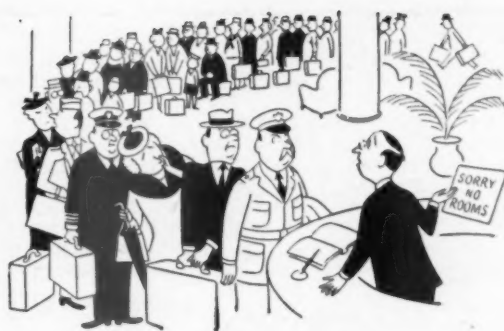
The retreat on wool has given rise to the story that OPA is abandoning the whole MAP program. The story has been squashed, but the fact remains that OPA is badly worried.

• **Perhaps on Garments**—This week OPA was getting ready for a similar retreat on the garment MAP. Manufacturers will be given certain exemption levels in figuring their MAP prices for the base period (for example, a dress manufacturer whose lowest price line was \$2 in 1943 may be allowed to figure it as \$2.50 for purpose of calculating his MAP). Garment makers will be given a margin of tolerance for the third and possibly also for the fourth quarter. Thus OPA's promised 6% to 7% rollback in clothing prices cannot come until 1946—if then.

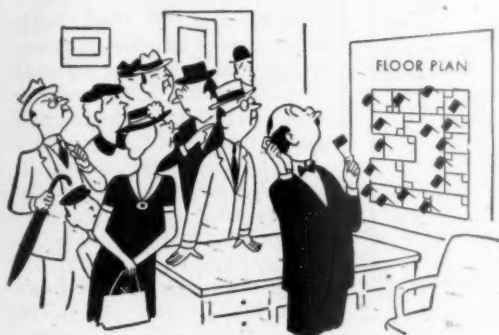
OPA has established regulations designed to eliminate "dummy" jobbers in the shoe and furniture trades, but a similar regulation for textiles and clothing is still in the works. And although OPA established mark-up controls for retailers of clothing and accessories sev-



1. Wasn't it wonderful, before the war, to drop into Hotel Pennsylvania and get as many rooms as you wanted . . . all at a moment's notice? No need to make reservations in advance. Large, comfortable rooms were always ready for you!



2. But when the war started, hotels became filled to capacity with servicemen, officials, diplomats, and other people traveling on urgent war business. It got so that when you wanted a room at Hotel Pennsylvania you *had* to reserve it in advance.



3. It became impossible to accommodate folks who called on us without warning. Never in all hotel history were so few people called upon to serve so many. And yet, in spite of all difficulties, our staff pitched in and overcame a seemingly insurmountable situation.



4. It never reached the point where guests had to sleep in hammocks strung up in the lobbies! Even today, when you stay at Hotel Pennsylvania, you'll find that the essential services are still being maintained . . . and so skillfully, that you'd hardly notice the wartime changes!



5. What a happy day it will be when times become normal again! You'll walk through our newly decorated lobbies, and immediately be shown to a completely redecorated room. Our postwar plans call for every service and convenience you could expect . . . in addition to innovations and improvements you never dreamed of!



YOUR DOLLARS ARE URGENTLY
NEEDED FOR U. S. WAR BONDS

OUT OUR WAY



FOOLING THE INVENTOR

J.R. WILLIAMS

T. M. REG. U. S. PAT. OFF.
COPY, 1943 BY NEA SERVICE, INC.

"Have been constantly using it, since receiving initial shipment."

"Have just ordered the third lot of 2500 lbs."

"Have been able to eliminate constant scrubbing."

"After trying out various methods, SPEEDI-DRI is the one certain solution."

"Conservatively estimate an annual saving of \$1000."

WE HAVE HUNDREDS of letters like the above in our files. Many plants, where oil and grease used to make floors slippery and dangerous, are now ordering SPEEDI-DRI by the carload.

SPEEDI-DRI is successful because it does the job and it's easy to use. It's safety's magic carpet. It's an oil-thirsty, granular material that soaks up oil or grease from any kind of floor. SPEEDI-DRI is non-inflammable and fire-retardant. It will help prevent dermatitis caused by oil-soaked shoes. It eliminates complicated cleaning-machines, or trained workmen. You just spread SPEEDI-DRI wherever oil or grease accumulates. It soaks-up the oil and grease. Then you sweep it up with a broom.

One plant took fourteen men off floor-maintenance when they found SPEEDI-DRI. Pin your business-card to this advertisement and mail it to us, for a big FREE sample.

SUPPLIERS: East—Refiners Lubricating Co., New York 1, New York.

Midwest & South—Waverly Petroleum Products Co., Philadelphia 6, Pa.

West Coast—Waverly Petroleum Products Co., Russ Bldg., San Francisco 4, Calif.

SPEEDI-DRI
OIL AND GREASE ABSORBENT



eral months ago, corresponding contracts for wholesalers have been delayed.

• **The Last Straw**—Meanwhile, with heavy cutbacks in military requirements for woollens and worsteds, WPB is relaxing its controls in this field. There is a good possibility that WPB will drop entirely Schedule C (covering woollens and worsteds) to M-388. Because it requires mills to channel a large part of their output to manufacturers of low and medium-priced clothing, M-388 has operated as a companion piece to M-389 OPA, already mad because WPB has permitted the manufacture of what officials consider too much higher-priced clothing under M-388, would regard the junking of Schedule C as the last straw.

Both agencies have taken their differences to Economic Stabilization Director William H. Davis. So far, he has had little success in composing them.

BUTLER IN NEW FIELD

As far back as 1943, Butler Bros. began making tangible its postwar plan for voluntary chains of independent variety, dry goods, and home furnishing dealers. This week it announced experimental stores in a fourth field: women's apparel. Its second "Ruth Barry" is scheduled to open this month in Oak Park, a Chicago suburb, following the tryout of the first since April in Queen Village, Long Island, N. Y.

Outstanding feature of Butler's plan is the 100% buying requirement. The dealer must also subscribe to the services of Butler field men who are trained in retail store management (BW—Aug. '44, p. 83). In return, he receives substantial advertising and display services, and a more generous discount than is allowed to unaffiliated retailers. Object is to equip independent dealers to meet chain store competition.

Some of Butler's "Ben Franklin" (variety) and "Federated" (dry goods) dealers were established retailers before they joined the Butler plan; in other cases, Butler sets up stores and trains men to operate them and eventually take them over as independent outlets. Shortages of merchandise have limited Butler's "Homecrest" (home furnishings) stores to two experimental units.

The company recently made a neat bid for the kind of operators it wants for these stores by mailing to bankers—who are likely to be the principal advisers to veterans seeking G. I. loans—a brochure entitled "Danger—Men Dreaming!" It dramatizes what it takes to open, and keep open, a retail variety or dry goods store, and deftly suggests the Butler distributor store plan as a means of reducing retailing's inherent hazards.

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1946



"Hotel Jaraúna, Ciudad Trujillo," by Clarence Holbrook Carter

In Your Marketing Plans . . . Consider the Caribbean

Most businessmen, planning now for resumption of peacetime business, agree that full employment will depend partly on foreign markets to absorb America's tremendous production.

Under the foresighted Merchant Marine Act of 1936, you can build exports easier than ever before. U. S. merchant ships, so vital during war, can be just as valuable during peace . . . furnishing prompt, reliable service to American business at fair shipping rates.

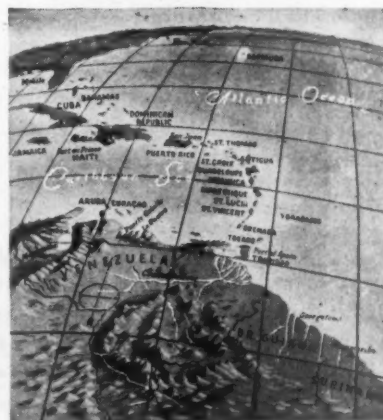
In your plans, consider the convenient Caribbean. Here among the beautiful, romantic Caribbean Islands and in nearby

South America are many market centers like Ciudad Trujillo. Markets for various U. S. products, with backlogs of needs accumulated in years of shipping shortages.

Alcoa has served this area for years, and will furnish full service again . . . when the demands of war are met.

Free Data Book

Write for your copy of "Export Market Opportunities" . . . facts and figures concerning the convenient Caribbean market. Dept. B, Alcoa Steamship Company, Inc., 17 Battery Place, New York 4, N. Y.



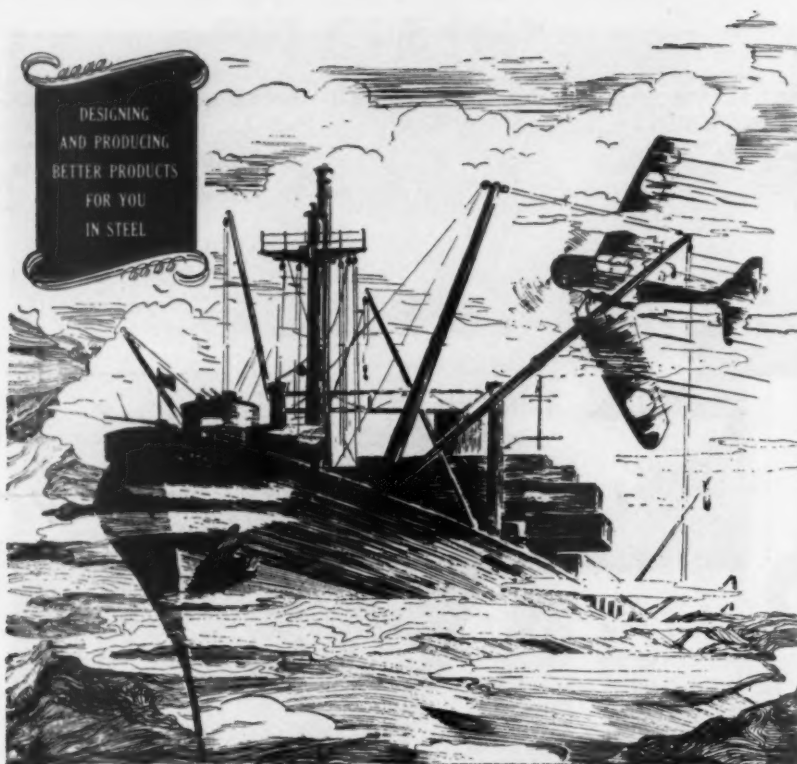
Alcoa

ALCOA STEAMSHIP COMPANY, INC.

OFFICES IN BALTIMORE, CHICAGO, MOBILE,

MONTREAL, NEW ORLEANS, NEW YORK, NORFOLK, SAN FRANCISCO

Your Merchant Marine
served us during war...let
it serve you during peace.



The Jap Killing Cargo Boom

● In one of the strangest victories on record, a cargo boom on one of the auxiliary ships of our amphibious forces recently accounted for a JAPANESE TORPEDO BOMBER

SCENE of the battle was in the Marianas area. The Japanese pilot dove on the cargo vessel, but miscalculated his run, crashed into the ship's extended "jumbo" boom, then plunged into the water.

The men and women who helped build this unwarlike cargo boom little realized the wallop they built into it. For today it proudly displays a replica of the Rising Sun emblem—testimony that it can deliver a punch as well as "deliver the goods".

Since the early days of the war, Union Metal has been producing all-steel, tapered booms for cargo ships used by the Navy, Army and Merchant Marine.

Though you may never need an all-steel, tapered ship boom—you may be able to use, with profit, the engineering and designing skills which developed and produce them. Your inquiries are invited by The Union Metal Manufacturing Company, Canton 5, Ohio.

**BUY MORE
WAR BONDS**
and
keep them



UNION METAL
Craftsmen in Steel Fabrication

Roasted Eggs

Unique process turns ready-to-eat product, cuts breakage and spoilage. Use vending machines is proposed

New relief from the egg shortage offered shoppers last week in the form of roasted eggs, which for a 10c-a-dozen premium over the price of the ordinary shell egg can now be purchased in all parts of the country.

Although primarily intended for use by users as hotels, restaurants, taverns, railway dining cars, the roasted eggs were being bought up eagerly for the retail trade as well. It is reported that one vending machine manufacturer is investigating the possibilities of making a machine to dispense them like candy.

● **Uses 7-ft. Oven**—The process of roasting eggs still in the shell was invented by Lucien Coquet of Dallas, now a vice-president of Roasted Shell Eggs, Inc., a corporation set up in Boston, Mass., by a group of wholesale egg dealers. First licensee authorized Roasted Shell Eggs, Inc., to use the process commercially is Chapin & Adams Corp., Boston, which is now operating a 7-ft. roasting oven. Roasted machines will soon be available on a royalty basis to licensees in other cities.

The process works this way: Large grade-A sterile eggs are first candled

to check on the top quality. Then the eggs are set in racks and roasted at a high temperature for about one hour. Fans in the metal grills in the large oven—it can turn out as many as 20 cases an hour—distribute the heat evenly. After roasting the eggs are allowed to cool, then are



Sign of an egg, roasted, not hard-boiled, to preserve it indefinitely.

stamped with the official trademark of the corporation, and packed in cartons.

● **Vitamins Retained**—Recent tests of eggs roasted experimentally last November and stored without refrigeration showed that no bacteria were present and that the eggs still had the same vitamin content as a fresh raw egg.

The ready-to-eat eggs cut down labor, breakage, and spoilage costs. They peel and taste just like any hard-boiled eggs, according to backers of the process, and have no dark ring around the yolk as frequently characterizes a hard-boiled egg.

Deal Yields Meat

National Tea's purchase of Milwaukee packing house held to meet U. S. regulations until supply goes into new areas.

Chicago's National Tea grocery chain encountered no opposition from federal agencies when it bought the plant and equipment of the Quality Packing Co. in Milwaukee and turned it into a federally inspected slaughtering house to supply its Milwaukee stores with meat. But independent retailers, who formerly bought from Quality, had to look elsewhere for a supplier, while National Tea, at the grand opening of a new supermarket, was able to put out 3,500 lb. of meat in four hours to meat-hungry Milwaukeeans, and hoped to continue to have adequate quantities of meat for its Milwaukee customers.

Supply Not Diverted—Federal meat regulations, designed to prevent diversion of meat from one area to another, require that the purchaser of a slaughtering establishment sell the same amount of meat in each county it serves as the



SELF-SERVICE WITH BELLS

Russell Maguire, president of Maguire Industries, New York, demonstrates a model postwar dispenser for marketing his compressed foods in self-service stores. To discourage shoplifters, the dispenser has a bell that rings and a light that flashes when a briquette is removed. Developed to save shipping space (BW—Aug. 12 '44, p. 52), all Maguire compressed foods except some coffee are going to the armed services and lend-lease.

How ACCO
products serve
America's farms

FARMERS, like men in other industries, depend on ACCO products to help them do their daily work. For example, they use millions of feet of welded and weldless chain made by the American Chain Division. This chain serves many indispensable needs in barn, barnyard, field, and farmhouse. It is used, for example, to protect cows, to harness and halter horses, haul wagons, tow equipment and loads, fasten gates, pull up posts, and to help pump water.

The manufacture and operation of farm implements and tractors depend on Weed Tire Chains, American Chain, Hazard and American Cable Wire Rope, Wright Hoists, Page Welding Wire, Acco Malleable Castings, Maryland Bolts and Nuts.

These are only a few of the primary products made by the 15 divisions of ACCO—products vital in war, essential in peace: Chain • Wire Rope • Aircraft Cable • Fence • Welding Wire • Cutting Machines • Castings • Wire • Springs • Bolts & Nuts • Hardness Testers • Hoists & Cranes • Valves.

ACCO

BUY WAR BONDS



AMERICAN CHAIN & CABLE

BRIDGEPORT
CONNECTICUT

Employers are adopting Group Insurance today as never before. It fosters employee relations. Premiums paid by employers are deductible business expense.



More businesses have bought Aetna Group Plans than any other.

LIFE • PENSION • SICKNESS
ACCIDENT • HOSPITALIZATION

**AETNA LIFE
INSURANCE COMPANY**

FOUNDED 1850

HARTFORD, CONNECTICUT

predecessor company, but do not require that it be sold to the same customers.

Federal officials say that as long as National Tea continues to supply Milwaukee County with the same quantity of meat as Quality Packing Co. sold there, it meets the requirements of the order, even though it now sells only to its own stores.

• **Slaughter Increased**—By going under federal inspection, the packing plant will be able to increase the amount of meat it slaughters, because federally inspected plants, under OPA rules, have no quota, though uninspected slaughterers do. Federally inspected meat can be sold across state lines, though National Tea plans only to supply its Milwaukee stores from the new source.

In addition to the new Milwaukee plant, National Tea owns a packing house in Denver, purchased some years ago to supply its Chicago stores.

• **Crackdown in Denver**—Meanwhile, in a move to preserve normal distribution of meat, the OPA in Denver charged the American Stores Co., big eastern grocery chain and owner of a packing company in Denver which supplies its 220 retail stores with meat, with illegal diversion of meat to the eastern states.

In a suit filed in the U. S. District Court, a permanent restraining order against American Stores was asked to

prevent the company from paying more than ceiling prices for live cattle in the Colorado markets. OPA charged the company, by paying over-ceiling prices, obtained cattle which ordinarily would have been used to supply Denver and Colorado with meat.

HOME PARTIES PROMOTED

Ghosts and goblins have an active partner—the National Hallowe'en Committee—whose ideas are strictly on the worldly side. The committee hopes to persuade every home in America to hold an annual Hallowe'en party, replete with doughnuts, cider, apples, candied nuts, pumpkins, and lots of decorations.

Brainchild of the Doughnut Corp. of America, the committee is now in its fifth party year. When organized in 1941, the Brazil Nut Advertising Fund and the apple Cider Assn. also contributed financial support along with Washington state and New England apple growers, Dennison Mfg. Co., and the Candy Council. War dampened the committee's spirits, but Doughnut Corp. carried on the promotion on a small scale.

The campaign for October, 1945, planned under the guidance of Ben Nevins, New York professional publicist, carries a double theme: welcome home Hallowe'en parties for returning soldiers and children's parties.

The committee is preparing copy for national advertisers who want to tie October ads to the witches' broom. Magazine articles, photographs, and other props, as well as personal consultation with Nevins, are available without cost, to such advertisers.

Groceries and bakeries cooperating with the committee will display the official four-color Hallowe'en poster and feature party foods. Selection of an official Hallowe'en queen to catch the eye of the newspapers will climax the campaign.

P. S.

Boosts for beer now may be aired over 88% of the nation's commercial radio stations, according to a survey of beer advertising acceptance recently completed by the J. Walter Thompson Co. for the National Assn. of Broadcasters. . . . The greeting card industry's novel "Christmas in July" party at the Waldorf-Astoria Hotel in New York City last week signaled the official start of the nationwide overseas Christmas mail campaign for 1945, Sept. 15 to Oct. 15. . . . Add to the growing list of publishing ventures the American Helicopter Magazine, new monthly scheduled to appear this fall, devoted to rotor aircraft.



Is your town getting all these services?



Locally grown fresh foods are prepared for quick-freezing and then packaged in this line at the Lancaster, Penna., Community Refrigeration Center. Bulletin 126 describes this plant fully.

Refrigerated food lockers, quick-freezing facilities, and ample cold storages for fruits, meats, furs and frozen foods, are now almost as important to a town as getting pure ice. Yet not many places, thus far, have all the cooling services available they really need.

Find out at once what a COMMUNITY REFRIGERATION CENTER could do for YOUR locality. Get a copy of this free Bulletin, our No. 126, which tells all about it. See for yourself how low temperatures can be made as useful as heat: observe what other towns are doing. Write today to

**Frick Co. WAYNESBORO,
PENNSYLVANIA**

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4, 1945



With the new RCA lifeboat radio, shipwrecks need no longer take a terrible toll of lives.

A two-way radiophone—for lifeboats!

Here's when a telephone comes in rather handy . . . when you can "get your party" and hear "We'll be there to get you in a couple of hours!"

With the new RCA compact lifeboat radio, that's exactly what happens. A kite, or a balloon, takes the antenna up 300 feet.

Turn the power-generating cranks and out goes an SOS—along with a direction-finder beam so shore stations can figure your exact location.

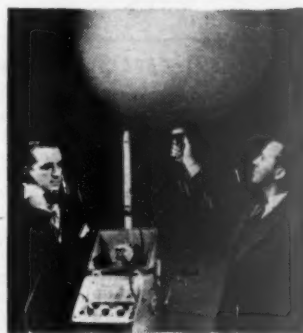
But even more amazing, shipwrecked mariners can talk with the men on their way to the rescue. They can "pick up" ships,

airplanes, and that wonderful place called "land"—even if it's 1000 miles away!

Endless research, such as went into developing this lifeboat radio, goes into all RCA products.

And when you buy an RCA Victor radio, or television set or Victrola, you enjoy a unique pride of ownership in knowing that you possess one of the finest instruments of its kind that science has achieved.

Radio Corporation of America, RCA Building, Radio City, New York 20. • *Listen to The RCA Show, Sundays, 4:30 P. M., E. W. T., over the NBC Network.*



Joseph McDonald and Donald Kolb (holding balloon) are the Radiomarine engineers who developed this lifeboat radio. Here is the balloon that is inflated with helium and carries the antenna as high as 300 feet into the air.



RADIO CORPORATION of AMERICA

PRECISION PARTS

SMALL PARTS WITH A BIG FUTURE



Smooth working communications, straight shooting that hits the target, bombing that wipes out an objective—all these and many other operations vital to victory are dependent upon small, highly accurate instrument parts.

Maintaining such exacting tolerances, and doing it on a mass production basis is a war-time development that has important post-war significance. Modern Ace equipment and proved Ace ability will be able to meet manufacturers' requirements for accuracy, and do it at a price that would have been impossible not so many years back.

Now is the time to reserve your production capacity. Let us quote you on small parts or assemblies involving stamping, machining, heat-treating, or grinding. Send blueprint, sketch or sample.

CURRENT CAPACITY AVAILABLE

CYLINDRICAL GRINDING—Multiple banks of widely varying internal and external cylindrical grinders are available for outside diameters up to 12" by 24" between centers... and inside diameters as small as 1/8" or as large as 4" by 2 1/4" long.

THREAD GRINDING—Our battery of Ex-Cell-O and J & L Thread Grinders equips us to give you tolerances of .0001" on all Standard V Threads, Acme and Square Threads, and on single or multiple leads. All sizes up to 5" diameter with threads 8" long, on parts up to 20" between centers.



ACE MANUFACTURING CORPORATION
for Precision Parts



1211 E. ERIE AVENUE, PHILADELPHIA 24, PA.

LABOR

Wage Policy About to Shift

NWLB public members suggest that employer and workers be allowed to agree on new pay rates which won't raise prices but any change carries danger of promoting inflation and strikes

Modification of the government's wartime wage policy is rapidly crystallizing, but to those who know how government machinery works, "rapidly" may mean as long as three months, barring a sudden collapse of Japan or pressure from labor that cannot be withstood without violent disturbance.

• **Demand for Hearings**—Public members of the National War Labor Board were about ready this week to send their ideas on new policies to Economic Stabilization Director William H. Davis. These may be hedged somewhat to avoid possible embarrassment to Davis, War Mobilization & Reconstruction Director John W. Snyder, and President Truman.

Industry is pressing for public hearings before any changes are made. Labor is professing dissatisfaction about

the public members' ideas, but the A.F.L. isn't too unhappy about its position vis a vis the C.I.O.

Heart of the proposed modification is contemplated authorization for an employer and his employees to agree on any wage formula which will not raise prices or costs to the government. Nominally, the Little Steel formula would be retained in dispute cases, but it is admitted that it would become a dead letter before long.

• **A.F.L. Sees Advantage**—Both labor organizations will demand, on the record, a straight-out abolition, or liberalization, of the Little Steel formula and restoration of the discriminatory authority held by NWLB before the hold-the-line order of April, 1943. But that appears unattainable immediately, and A.F.L. is known to figure that the pro-



ALABAMA OPENS AN ATTACK

Supporting the nation's fight against venereal disease (BW—Mar.12'38,p38) on the state front, J. Frank Rushton, Jr., president of Birmingham's Chamber of Commerce, submits to a blood test while banker Charles Zukoski waits his turn (right). Alabama is pioneering in the war on syphilis and gonorrhea in the Deep South by requiring tests of all citizens from 14 to 50 years old. Sugar ration cards (right) serve as census guides; mobile stations cover rural and factory areas. So far, some 300,000 persons have been tested, with about an 11% ratio of infection. Positive cases get free penicillin treatment, the cost being borne by the state with help from the U. S. Public Health Service.

Right now, she's an Ursula Parrott heroine...



...speak your piece, Lambert,*
she'll listen now!



SEE that look of aliveness? It tells you she's young! That expression speaks imagination...curiosity...emotion!

And for the moment she's swept away in a thrilling love story by Ursula Parrott—one of the gifted company of authors who regularly write for *Cosmopolitan*.

Her stories are typical of the great

writing in *Cosmopolitan*. And great writing makes great reading! It stirs the senses. It makes a girl long for, and look for, romance.

That's your tip, Lambert! Now that she's reading *Cosmopolitan*—speak your piece. Tell her again—while she's under the spell of Ursula Parrott's gay romancing—how Listerine raises her chances for popularity. And while

she's listening, why not tell her about Listerine Tooth Paste?

You'll never find her more receptive! For she's just been through the emotional world of Ursula Parrott, Faith Baldwin, Sinclair Lewis and the other great *Cosmopolitan* writers. Emotion makes wars, emotion makes marriages, emotion makes SALES!

*An advertiser in *Cosmopolitan* since 1914.

Cosmopolitan

GREAT WRITING MAKES GREAT READING

Emotion makes Wars ✓
Emotion makes Marriages ✓
Emotion makes Sales ✓

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THE LABOR ANGLE

Friends

The closest friends that the new rulers of Britain (page 15) have in America are a group of right-wing, politically minded A.F.L. union officials and intellectuals. Representative of this group are such figures as David Dubinsky, president of the International Ladies Garment Workers Union, Robert Watt, international representative of the A.F.L., and labor lawyer Louis Waldman, one of whose clients—the N. Y. newspaper deliverymen's union—recently carried him into the headlines (BW—Jul.21'45,p100).

These American friends of the leaders of Britain's Labor Party are themselves of different political persuasions. Dubinsky is a leader in the independent Liberal Party, Watt a Democrat, Waldman more a Republican than anything else. Their chief common bond lies in their opposition to our native Communist movement. Most of them are sophisticated ex-Socialists. It is the most natural thing in the world that the English laborites, who find very alien the other two important wings in U. S. labor—the Communists and the pure business unionists—would feel a kinship with this group. More than any other political dialect on the American scene, men like Attlee, Bevin, and Morrison talk the language of Dubinsky.

Channels

For this reason, Britain's revolution by ballot box will have little practical effect on American labor. It comes down to the fact that the United States offers no important channel through which the reverberations of that change can be expressed in terms which would seriously influence its labor-political situation. European countries have political instrumentalities for capitalizing on the prestige that the British election confers on movements of the moderate left. These are broadly lacking in America.

The Liberal Party of the Dubinskyites is a purely New York phenomenon. Its current interest is in electing, in conjunction with the Republicans, a new mayor of New York City, and its outlook is largely determined by its position of in-

transigent opposition to the Communist-supported American Labor Party operating in the same arena.

Contrast

C.I.O.'s Political Action Committee, the New York expression of which is the American Labor Party, has no real connections at all with the British Labor Party. Although it will doubtless try to make some propaganda for itself out of the British election, P.A.C. will find difficulty in drawing any parallel between British labor's repudiation of a war leader and its own position, in which it remains tied to the policies and personality of a war leader by bonds which hold beyond the grave.

Nor can the Norman Thomas-led Socialist Party of America, too minuscule and enfeebled ever to be rehabilitated, expect to get anything except moral satisfaction from the victory of its British comrades. The only broad political currents here which may conceivably quicken under the impact of that event are those set up by the Henry Wallace segment within the Democratic Party and by the liberal Republicans whose 1944 slogan, "It's time for a change," was not so premature when used in England.

Lessons

On the union-management front, what effect there is will most likely be confined, paradoxically enough, to the management factor in the equation. Already, the division in business based on conservative and liberal predilections gaps wider because of the British election. One group reads the lesson that appeasement of labor does not pay, it creates a monster which destroys you; the other contends that Britain has shown that you must find a modus operandi with labor. Those who hold either view will develop further the industrial relations policies which accord with their fundamental attitudes. Employers and their representatives who deal with organized labor on the basis of an intimate knowledge of its complexion are not frightened by what has happened in Britain. They realize it does not have too much relevance to the American industrial landscape.

position advanced by NWLB's public members will work to its advantage. It feels that its craft unions are better situated to negotiate voluntary agreements with employers than are C.I.O. industrial unions covering broad fields such as steel, autos, and electrical goods.

If a wage increase is to be demanded solely on the "claim" of an employer that he would need a price increase, says C.I.O., the public members' proposal is meaningless.

• **Breeder of Strikes?**—NWLB's public members realize that they are entering practically unmapped territory. The risk is widespread strikes or slowdowns to force "voluntary agreements." Some questions that have been raised are:

Will contracts negotiated under duress of a strike be nullified? What about dispute cases which involve the element of an interplant inequity created by voluntary agreements signed by another employer in the same industry?

These problems are recognized but have not been thought through to a practical answer. The public members apparently feel that they can meet them on a case-by-case basis. They are fortified by the recollection that their worst fears in previous crises never have quite materialized.

• **Broader View of Rates**—The contention is made that if one company agrees to a wage increase, competitors will inevitably be hauled before the board to dispute cases on union demands for comparable increases. This may be an oversimplification of any reasonable probability. At any rate, the board feels that, in the later cases, the union would have to show something more than an agreement with the first company, or even more than cost-of-living figures, to justify its demand.

The board will take into consideration the effects of downgrading, loss of overtime, and a broader view of the wage-bracket system. That is, comparison of job rates will not be limited to the area, but to the industry generally. That doesn't mean that Marietta, Ga. will get Detroit rates, but it is a step in that direction.

• **Won't Move Quickly**—The immediate outlook: The entire issue may not be in Davis' hands for another week or two, even if public hearings are ruled out. Davis will make his haste slowly. Timing is regarded as all-important in juggling the issue, but less danger is seen in delay than in action accelerating inflationary pressure.

An executive order, dated in late September or October, spelling out revision wage policy is the current prospect. Granting sufficient latitude, the might give pause to Congress if, perchance, it returns to Washington with

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worry about
my hand!**

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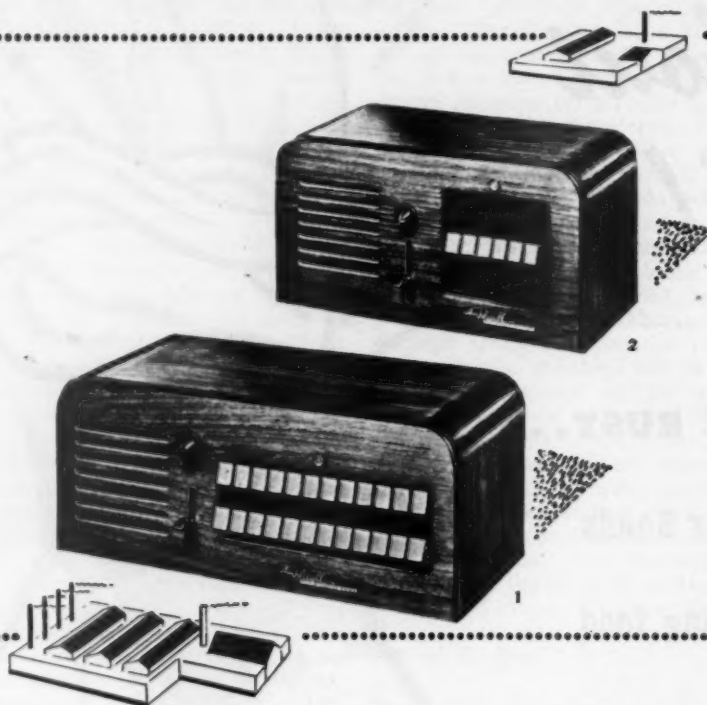
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blood in its eye. Meantime, Smith, who has over-all authority under the President, and Lewis Schwellenbach, the new Secretary of Labor, will have an opportunity to get their feet on the ground and appraise developments in coming weeks.

C.P. Relined

Communist abandonment of Browder policies signals new activity on labor front, puts management on guard.

Employers who have learned that there can sometimes be a direct relationship between their labor problems and prevailing Communist policy had a new factor in their outlook to consider this week as the American Communist Party completed the formality of "changing its line."

• **Signs of a Shift**—The new position the C. P. comes as no surprise to anyone who has been following the discussions which have been going on in the party press since June—and has been able to get at the meaning of the rather special jargon. Even before the time (BW—May 12 '45, p98), there were portents which suggested that the American Stalinists were about to consider the position they had taken when Russia entered the war and what was further developed when Roosevelt and Stalin hit it off so well at Teheran.

What was obviously coming was renunciation of the "class collaboration" line which had made all disciplined Communists uncritical supporters of the Administration and its work, zealous advocates of labor's non-striking pledge, and proponents of labor-management cooperation in all possible fields.

• **After Teheran**—This line had been justified by an analysis of American capitalism which came out of the conclusion that the Teheran conference somehow revealed that an important section of the "American ruling class" was moving toward the same objectives as Stalin. It called for renouncing revolutionary ideas in the U. S. and making common cause with "all progressives" regardless of their "class base." Pursuant to this policy the Communists, under the leadership of Earl Browder, even abandoned their "party" converting it into what was known as the Communist Political Assn.

Those who followed what was happening in Communist circles had to significant intimations that the "Browder line" was destined for early overhauling. The first inhered in the fact

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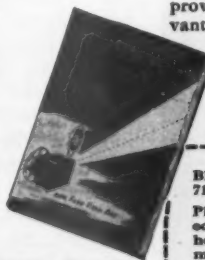
nor readiness. But they did lack, and *still* lack, the necessary funds.

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that Communists and their sympathizers were dropping influence in the unions. The no-strike pledge and management cooperation, once popular slogans among workers, lost their appeal as the war continued and by V-E Day a revived spirit of militance had appeared in organized labor. The Communists, conforming to a party line which gave their opponents an opportunity to call them "strike breakers," were voted out of office in many local unions where they had won power.

• **After San Francisco**—A second factor presaging new policies was the dissatisfaction which Communist leaders expressed over the actions of the U. S. delegation at the United Nations conference in San Francisco. They found in the U. S. position an "anti-Soviet" attitude and they criticized the Truman Administration in terms which did not harmonize with their pro-Administration stand.

A third factor, revealed to outsiders only after arrangements had been made to shift the line, was that the Communists had been unable to hold members under the collaborationist policies; that, instead of picking up new adherents, they had suffered a net membership loss by following what has now become known as the "Browder deviation."

• **Gospel From France**—Characteristic of the way the Communists operate, Browder's deviation from "Marxism-Leninism-Stalinism" was exposed, not by his American comrades who enthusiastically accorded his apostasy all the loyalty with which they carry out the revealed word, but by Jacques Duclos, a functionary of the Communist Party of France, who wrote a critical article in the April, 1945, issue of Cahiers du Communisme. This article took Browder to task for his attempted flirtation with American capitalists and for his "rightist tendencies." It said in effect that Browder had abandoned the Communist faith and was selling the American working class down the river.

The republication of the Duclos article in the U. S. started a fight within the Communist Political Assn. that has just now ended with the deposition of Browder from his position as leader and the re-creation of the Communist Party as such. The Communists have swung back to the left.

• **Room for Expediency**—The new party line—and the action which will flow from it—is opportunistic rather than revolutionary. The no-strike position, for example, is not reversed, but militant "protection of labor's rights" is made the order of the day. This, and other such equivocations, will allow Communists to extend their influence by advocating whatever course of action

seems expedient in any given situation.

One sure thing can be expected. The attempts to make "alliances with the progressive bloc in the bourgeoisie," with which Browder identified himself, will be secondary to efforts to build up the party strength in the unions. The new emphasis is clearly indicated by the elevation of William Z. Foster, a founder of the C. P. with a background as a union organizer and director of the great steel strike of 1919, to the party's leadership.

Among the other seven members of the party's national board three are union officials: one from the A.F.L. painters, one from the C.I.O. National Maritime Union, and one from the C.I.O. furriers. On other top committees of the reconstituted party are representatives of other unions in which

Communist factions are important.

• **What to Expect**—The immediate effect of the new line will be an intensification of Communist recruiting efforts within the unions, the injection of a new element making for disturbances on the labor front. Communist-dominated labor organizations will not immediately emulate the tactics which made for long and pointless strikes during our defense program before Russia entered the war—the drift will not carry the party too far away from its present cooperate-with-the-war-effort stand as long as there is a chance we may be allied with Russia in the Far East. But American Communists are getting set to play a large role in the labor-management battles which, it is being generally predicted, will be one of the elements of turmoil on our postwar domestic scene.

U. S. Seizes U. S.

Rubber plant in Detroit taken over by Army as picket line is observed by workers in fight over disciplinary discharges.

Seizure by the Army of the United States Rubber Co. plant at Detroit this week ended a two-week work stoppage which had its roots in fines imposed on some 500 members of the C.I.O. United Rubber Workers Union last fall (BW—Oct. 28 '44, p102) and in attendant efforts of an independent union to obtain bargaining rights at the plant.

• **Strikers Fined**—Because the 500 unionists refused to pay \$12.50 fines im-

Experts Will Gather Data on Annual Wage Problem

How much progress can be made toward what is widely considered an impractical but socially desirable objective by a purely "reasonable" approach is to be determined by Arthur S. Meyer and Murray W. Latimer.

These two men are now undertaking a monumental study of guaranteed wages for the War Mobilization Advisory Board. The board, made up of representatives of industry, labor, and agriculture, was created by President Roosevelt to counsel the Director of War Mobilization.

• **Issue Raised by C.I.O.**—Official government interest in guaranteed or annual wages reached an acute stage last winter when the National War

Labor Board had to make some decision on demands of C.I.O.'s steelworkers' union for wage adjustments and other important concessions.

One of these demands, and one which the C.I.O. had done a real job of selling to its rank and file, was for guaranteed wages. NWLB ducked that issue by recommending that a presidential commission be created to study the whole problem.

After two months Roosevelt handed the hot potato to WMAB.

• **So They Get the Job**—Through a subcommittee led by Eric Johnston, president of the U. S. Chamber of Commerce, WMAB considered means of tackling the problem and last week announced that it was turning it over to Meyer and Latimer.

Meyer, chairman of the N. Y. State Board of Mediation, NWLB's panel chairman in the famous Little Steel case, and one of the nation's most eminent labor arbitrators, will hear testimony and ideas from both management and labor spokesmen.

• **Expectations**—By discussion and questioning he hopes to be able to narrow down some of the differences which at present separate labor and industry. The end product of Meyer's work, which cannot be expected much short of a year hence, will probably be a formulation of the pro and con of the issue with recommendations on what the government can contribute toward making guaranteed annual wages a reality.

Although Meyer has subpoena power, he has no thought of using it, believing that anyone whose opinion

he wants will be glad to appear.

• **Research Job**—Latimer, chairman of the Railway Retirement Board, will direct a research staff which will analyze all operating annual wage plans and the most important proposals. Less spectacular than Meyer's part of the job, his work is considered equally important. His findings, with Meyer's, it is taken for granted, will be presented to Congress.

What, beyond a mountain of data, will come from this study remains to be seen. There is a fairly widespread conviction that the annual wage question will be settled, not by reasoned consideration, but by tests of economic and political strength.



Murray W. Latimer



Arthur S. Meyer

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1941...
Building America

1945...
Conquering jungle

When rubber teams with steel ...

HE was a construction worker here at home, long before war sent him on a ten thousand mile journey. He was one of the thousands of Americans who take to handling hydraulic tools naturally...who know about the power that flows through slender hose.

He's still in a construction gang...but doing a different job under different conditions...clearing jungles, smoothing air strips on coral atolls, building revetments for planes.

High-pressure hose puts the strength of a giant into his hands...hose of flexible rubber, fortified with braided steel wire...hose that controls and conveys tremendous pressures.

To achieve this useful teaming of rubber and steel, long and patient effort had to come first. United States Rubber Company technicians—chemists, engineers, craftsmen—coordinated their skills, focussed them on his needs.

By serving through science, they gave these fighting builders—the Army Corps of Engineers and the doughty Seabees—hose capable of withstanding highest working pressures, of resisting the effects of jungle heat and arctic cold.

The backlog of experience needed for such service was laid in the years before 1941. It takes a big business to meet such needs. But a business only grows big because people like its products. When you bought "U.S." rubber products in the past, you were creating work for men and women. You helped build this company—helped give it force.

That force is still backing our fighting men. It will continue to do so until the Pacific victory is secured. Seasoned and strengthened then by its intensive wartime experience, the U.S. Rubber organization will enthusiastically return to its civilian job.

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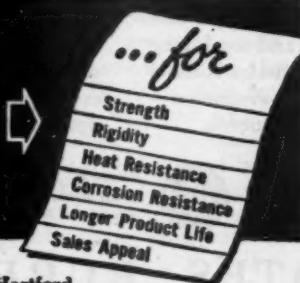
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HEAT RASH

Pleading with Chicago's Dodge plant workers to go back to work, Robert Wright, president of Local 274, United Automobile Workers, personifies the familiar summer event—the open-air strike meeting. The session brought to an end the three-day walkout of 20,000 Chrysler Corp. workers who drew warning from the government that the lag in B-29 engine output would hamper U. S. raids on Japan. The strike, however, was just one of the nation's many, as war-weariness, wage demands, and cut-back adjustments inflamed tempers.

posed on them by the U.R.W.U. for an unauthorized strike, they were expelled from the union and their discharge was asked under a maintenance-of-membership clause in the union contract. That mass discharge, affecting nearly 10% of the plant payroll, was obviously impractical, so the regional war labor board ruled that the fines were to be deducted as a pay checkoff.

This brought repercussions which intensified battling within the rubber company local, and gave impetus to a movement among dissident members to join the Mechanics Educational Society of America, an independent union which was then beginning a quiet but determined membership drive.

• Election Petition Is Rejected—The mechanics' union waited another month or so before it moved toward what it

...d would be its first tire plant con-
Then it filed petitions with the
nal office of the National Labor
ions Board for a bargaining elec-

is petition was rejected when the
W.U. testified that it had signed
one-year contract with the com-
only seven days before the NLRB
ings opened. The M.E.S.A., re-
ed to the fact that it could not
again until the contract comes up
renewal next November, let its or-
izing efforts drift.

Discharges Protested—But the tur-
within the rubber local continued.
lve members of the local had testi-
in favor of the M.E.S.A. election.
y were read out of the rubber
kers' union, and their discharge was
ht under the m. of m. clause.

inally discharged, they set up a
et line on July 14. Nearly all their
w workers refused to pass through
nd operations on military truck and
e tires were brought to almost a stop.
The tie-up continued until Monday,
pite appeals of rubber union and
ny officers to workers to disregard
twelve-man picket line. Then the
ny seized the plant, and operations
e resumed on a practically normal
as the next day.

Still Lack Jobs—The twelve discharged
n still do not have their jobs because
the Army's policy of maintaining the
us quo. Under union rules their
chance of reinstatement is by ap-
al to the next convention of the
R.W.U., not scheduled until 1946.
On top of their other problems, the
n faced court action this week on
tempt charges growing out of alleged
egard of an injunction ordering
an to end their picketing.

The M.E.S.A. is taking no formal
et in the proceedings, inasmuch as it
disqualified at present from any rep-
entation rights at the plant. It fig-
es that the situation is improving
chances for victory if a bargaining
ction is called in reply to a petition
ich it intends to file before the pres-
t U.R.W.U. contract expires.

LABOR TRIBUNAL FORMED

A mediation tribunal to settle dis-
ites before they reach the National
ar Labor Board and ultimately to
rform the functions of that wartime
ency on a local basis has been set up
Philadelphia by labor and manage-
ent.

Under discussion for about a year, the
an will operate on the outline of the
bor-management charter announced
st spring by Eric Johnston, president
the U. S. Chamber of Commerce;
hilip Murray, president of the C.I.O.;



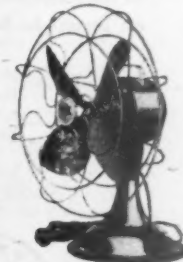
Discount the dollar angle if you feel you can.
But when workers are doodling instead of
delivering, something's up—usually the *tem-*
perature. And that costs more in lost output
than anyone can afford!

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Plenty of cooling, moving air—
the kind you get from large-air-
volume, quiet-running Robbins
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office employees refreshed and
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In the factory, too, you can prevent "summer
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provide *properly engineered air circulation* over
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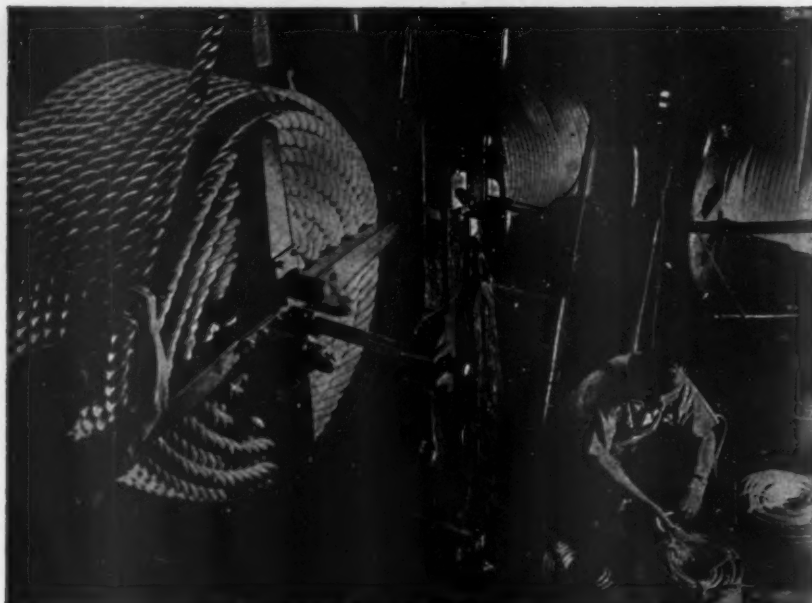


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COILING FOR A GIANT'S JOB...



By David Dietz, Science Editor of Scripps-Howard

"A big rope does a giant's job. It speeds the production of goods and the shipment of vital freight to and fro, the world around. It conquers the Juggernauts of weight and height and distance that men

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By Sept. 1, the twelve-man board expects to have its own offices and a supervisor by an executive director. Expenses will be shared equally by labor and business. Management will be represented on the board by six members including officials of the Philadelphia Chamber of Commerce; A.F.L. and C.I.O. will each name three of the labor members.

G.M. Plan for Veterans

Auto unions study new proposal for hiring servicemen. It stresses credit for overseas duty in granting seniority.

New proposals on seniority for veterans, made by General Motors Corp., are being considered by the C.I.O. unions, United Auto Workers and United Electrical, Radio & Machine Workers. Because the G.M. auto union contract is a labor law, whether in the auto industry, much significance attaches to the union's reaction.

Submitted in contractual language, the company planks differ somewhat from earlier more general provisos, as well as from the auto union's "modified veteran clause" (BW—Nov. 25 '44, p. 10).

• **Overseas Credit**—Veterans who have never worked for the company would be entitled to seniority equivalent to their service tenure, provided they were in uniform for at least two years. Those who served overseas for any period would be entitled to wear an operational theater campaign ribbon.

This eliminates servicemen who were given discharges after comparatively brief training camp assignments and at the same time provides seniority for men who went overseas for limited periods. The original proposal granted seniority equivalent to service time to any honorably discharged veteran.

• **Probationary Basis**—Under the new plan, veterans could obtain probationary employment in a General Motors plant whenever their service-acquired seniority entitled them to displace a worker of shorter seniority. In this respect the proposal differs from the original position of giving a serviceman seniority over any employee hired after May 1, 1940, the date when the selective service law became effective.

Employees hired on this probationary basis would be placed on the seniority list, the dates to coincide with their



DON'T BLOW IT

Oh, workman or scholar,
Hang on to your dollar
And do not spend it soon,
For every cent
Unwisely spent
Inflates the price balloon.



IT MAKES SCENTS

market (black market) to spend lots of jack
less of how many ceilings you crack,
market (black market) where prices are dear,
ah, there's a terrible smell around here.

If

you can keep your head and calmly ponder
how silly spending drives the prices high;
you can save the cash you'd like to squander
and only buy the things you need to buy;
you can do your part to fight inflation
by simply being thrifty with your pelf,
I'll do a vital service to the nation
and—furthermore—you'll benefit yourself.

Bonds you buy with payroll earnings.
Help fulfill your future yearnings.

NO GAMBLE

When the war is over, will the prices
rise or fall?
do not know the answer, and
nobody does, at all.
this much we can prophesy—
whichever way they go:
will find it more convenient if
you've saved a little dough.

★ ★ ★



Money in your pocket.
Take it out and sock it
Into War Bonds, which
Help to make you rich.

DOUBLE AND NO QUILTS

When you boost your paycheck quota and allot it
To another bond—it's pretty soft for you!
although you've spent your money—you
have got it,
And the Interest is interesting too.

POINTED RHYMES FOR TRYING TIMES

by
Berton Braley

Here is wisdom by the peck
Versified to save your neck!



WHO? ME?

There was a little dope with a fat
pay envelope
And she spent every cent that
was in it.
And she wondered, by-and-by,
why the prices rose so high.
But she didn't blame herself for
a minute.

★ ★ ★

INFLATIONARY MARY

Inflationary Mary spills
This silly kind of chatter:
"My little teeny-wee bills
And spendings do not matter.

"And if I cheat a little bit
On rationing and ceilings
The Nation's welfare isn't hit
By my small lawless dealings!"

Inflationary Mary's wrong.
For she'd be much to blame
If people in a mighty throng
Should say and do the same.

Small spendings, in the aggregate,
Reach sums extraordinary,
So let's not try to imitate
Inflationary Mary.

★ ★ ★

ADVERTISERS, PUBLISHERS—NOTE:

You are welcome to use all or
any part of the material on this page to aid
the fight against inflation.



SNAKE IN THE GAS

There was a crooked man and he
lived in crooked style,
He dealt at crooked markets with a
smugly crooked smile.
He viewed himself as clever with
his crooked ration book,
But everybody knew him for a
crooked little crook.

★ ★ ★

THE GANG'S ALL HERE

You may ask, "Why should my spending
Cause inflationary trending
Though I squander every penny I have got?"
—If you're joined by sixty millions
Of civilians blowing billions,
You'll discover that it matters quite a lot!



YOU CAN LAY TO THAT

As the best egg for a nest-egg
Buy a War Bond—buy a batch.
But you gotta keep 'em settin'
Or they ain'ta gonna hatch!

Save your pay
Here's a way—
Bonds and savings and insurance
Give your future more endurance.
Mrs., Mister,
Brother, Sister,
Don't compete in buying things
That is whence inflation springs.



ONE PERSON CAN START IT!

You give inflation a boost

—when you buy anything you can do without
—when you buy above ceiling or without
giving up stamps (Black Market!)
—when you ask more money for your services
or the goods you sell.

SAVE YOUR MONEY. Buy and hold all the
War Bonds you can afford—to pay for
the war and protect your own future.
Keep up your insurance.

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procedures of
Management
Research and how
to apply them in
large and small
plants

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entries into service, as soon as the six-month probationary period ended. Former servicemen already working for the company when the clause became effective would be given seniority similarly at the end of their probationary period.

All former G. M. employees who went into uniform, of course, would retain employment rights in line with the selective service law. Under the G.M. proposal, any veteran with a service-connected disability would be hired and kept on any job for which he is deemed qualified.

• **Plan Considered**—The company has met with the Auto Workers, now studying the proposals, and further sessions will be held. No word has yet been received on the matter from the U.E.R. & M.W., which originally applauded the G.M. provisos of last November, only to shift later to a position following closely the lines of the auto union's "model clause."

U.A.W. feels that General Motors should adopt the "model clause." Thus far, the union states, 34 companies have written the clause into their contracts, including Hudson, Packard, Studebaker, Graham-Paige, and Continental Motors.

• **The Objections**—General Motors and others, however, object to the auto union proposal not only on the grounds that it contradicts selective service rulings, but also because it makes impossible the hiring of veterans who have never worked for the company until the entire seniority list is exhausted by callbacks.

U.A.W. Challenge

Auto producer suspends contract when local tells its members to disregard company order for 48-hour week.

The struggle between automotive labor and management for determination of rights of each side was moving onward this week in conferences which followed the suspension by Packard Motor Car Co. of its contract with the United Auto Workers (C.I.O.).

• **Writing on the Wall**—Packard suspended the contract last week as the result of what it termed "union usurpation of the prerogatives of management." The company had posted notices of a 48-hour work-week in a few bottleneck departments. Soon signs were tacked up by the union telling workers to disregard the company instructions.

When Pat Zombo, president of Pack-

ard local, and other union officials gathered at the gates to see that no one came in to work the extra eight hours, Packard denounced the contract. The company forbade Zombo and several others to enter the plant.

• **Status Quo**—Negotiations began immediately between Packard's president George T. Christopher, and the national president of the auto union, J. Thomas. At the end of a day-long session, it was announced that the situation would be held "in status quo," and the negotiations would continue.

The discussions were still going on midweek. In the meantime about 2,500 of Packard's 24,000 employees held a mass meeting at which they pledged strike support if the company "refused to negotiate harmoniously." Norman Matthews, Packard union president until last fall and now regional U.A.W. director for Detroit's east side, told workers that there was no alternative except a general walkout unless a settlement is reached.

• **Not Well Defined**—The reasons for the initial action of the union in countermanding the company orders were vague. The indication was that the local believes that if some departments revert to 48 hours from the recently established 40-hour rate, all should do so.

To this, company officials answered that it has always been standard practice for some departments to work longer than others, and that if the plant is to continue running at all, schedules would have to be in management hands.

Packard people reiterated statements that Christopher made to the Michigan committee in its hearings in Detroit last spring (BW—Mar. 17 '45, p. 20) that ever since Zombo became president of Local 190 last fall, labor problems had intensified. From automotive management sources, meanwhile, came reports that a strong minority group opposed to Zombo in the local was creating political problems of such pressure that labor difficulties were bound to arise.

• **Has Less to Lose**—At any rate, the Packard stand was hailed by most other automobile companies. They generally feel that the boundaries of influence of the labor groups must be defined, and that Packard is a logical candidate to try to obtain this definition, because it has less to lose from its peacetime business, due to volume of war orders delaying its reconversion.

Packard is also the one automobile company which has initiated action intended to test the legality of supervisory labor unions as qualified bargaining groups (BW—May 26 '45, p. 102).

THE WAR AND BUSINESS ABROAD

BUSINESS WEEK

AUGUST 4, 1945



Despite the fact that the Potsdam settlements are unchanged by Britain's strong shift to the left in the general election, the Labor victory means that Washington must importantly alter plans for the implementation of its post-war commercial policy.

Liberalized foreign trade—along lines outlined in the master lend-lease agreement—will get second billing by the new Attlee government (page 15).

Pledged above all else to improve the standard of living, the Labor government has already given a clew to the stand it will take on most foreign trade issues by hinting that the distribution of food may have to be nationalized in order to assure minimum supplies of all basic foods.

The same reasoning can be applied to the housing situation until the present acute shortage is eased. Since building authorities have intimated that this will require a minimum of ten years, the outlook for unrestricted trade in the whole range of building materials and supplies is not bright.

Thus bulk buying of imported supplies—along lines pursued during the war—can be expected to continue longer under the Labor government than if the Churchill Conservatives were in power.

The same kind of government control is likely to continue for some time in the export field.

With only limited supplies of goods available for export, Labor probably will see to it that they are sold where the best bargain can be driven—in the form of essential raw materials to meet domestic needs, or at particularly advantageous prices, or to boost Britain's long-term foreign trade position.

Washington's plans to remove currency controls, lower tariffs, and return trade to private hands will be bought only at a price from Britain's new leaders.

Labor's avowed intention to nationalize key industries is relatively less alarming to Americans, despite the obvious adverse effects on the London Stock Exchange this week.

The Churchill government was as committed to nationalization of the ailing coal industry as is Attlee's. Labor, however, may speed up the process.

If nationalization of transport means simply the creation of a public corporation to manage the unified industry, Britishers take comfort from the fact that the London transport system has long operated under such control—and at a profit to stockholders.

Real test of Labor's ability to carry out its broad platform promises along this line will come when the iron and steel industry swings into the limelight.

Admittedly obsolete though basic to a successful domestic development of a strong export program, the industry is strongly entrenched and probably will put up the keenest opposition to government interference—particularly since it has already announced the beginning of a bold modernization program (BW—Jul.28'45,p113).

Keys to an understanding of the British shift to the left are these three factors:

- (1) While Britain is obviously giving socialization a tryout, change will come slowly, in line with the country's traditional caution.
- (2) Though specified industries will be nationalized, there is, at least, no

THE WAR AND BUSINESS ABROAD (Continued)

BUSINESS WEEK

AUGUST 4, 1945

threat to expropriate the property of individual owners or stockholders without "reasonable" compensation.

(3) Despite the Labor landslide, the Attlee government will remain in office only so long as it carries out to the satisfaction of the public the program that it has promised.

Britain's democratic system still functions, and Churchill's reelection to the House of Commons indicates that the Labor government will face a shrewd, experienced, and determined opposition before it can sell to Parliament the innovations it proposes.

Japan's abrupt rejection of the Allied ultimatum to end the war now or submit to all-out assault should have come as no surprise.

The fact that it was even issued indicated clearly that negotiations with Japan through Moscow had failed completely and that the Allies were merely justifying domestically what is bound to be a costly campaign and making a play—as far as the ultimate showdown with Tokyo is concerned—on the already battered nerves of the Japanese populace.

It is equally clear now that the military is in full control in Japan, as it was in Germany.

They have no factories and no investments at stake.

Their leaders are clearly indicted, even in the mild capitulation terms offered by the Allies, and so have more to gain by holding out for whatever time they can than by submitting now to the humiliation and loss of power that would come to them as they have to Goering and other Nazi leaders who lived beyond the surrender.

Unless there are unexpected—and drastic—cabinet changes in Tokyo, don't look for a serious renewal of capitulation terms.

Nipponese military leaders have undoubtedly decided to gamble on holding out either until invasion engulfs them or, at least, for a last-minute surrender ahead of invasion.

Since an invasion probably cannot be staged before the end of the year (BW—Jul. 28 '45, p111), this would mean at least five more months of war in the Pacific.

Tokyo, though resigned to ultimate capitulation, is apparently following the Nazi pattern of making its final defeat as costly as possible to the Allied nations.

Don't overlook the fact that a part of the confused domestic thinking about the real outlook in the Pacific grows out of conflicting points of view in Washington.

Though the Administration—under both Roosevelt and Truman—has planned unhesitatingly to fight Japan to unconditional surrender, a small but swelling undercurrent of military opinion is demanding that Japan, if possible, should be kept strong enough to help hold the U.S.S.R. in line in the Far East.

Following Japan's contemptuous rejection of the recent surrender terms, such thinking will have less influence.

Both Army and Navy are now going ahead vigorously with redeployment and invasion plans.

Bombs Deindustrializing Japan

With empire cut off and flow of supplies cut to a trickle, home islands see Nipponese war potential dwindle day by day. Stockpiled materials lose significance as factories are destroyed.

The long, terrible softening process, designed to crush Japan to its knees, is rapidly mounting in intensity.

The target is Japanese industrial strength along with the morale of the masses of Japanese workers and citizens. • **Small in Comparison**—Geographically, the target is limited in extent, concentrated on the home islands of Kyushu and Honshu (map), laid out in a line

that extends from the naval base of Sasebo, through the locomotive city of Kobe, the aircraft center of Nagoya, to the shipbuilding and heavy industry capital, Tokyo.

The objective compares with Germany's industrial concentration stretching from the North Sea ports of Bremen and Hamburg through the Ruhr and the Saar. The Japanese target is to

be reduced to the impotence which finally dragged Germany's war machine to a grinding halt.

• **More and More Bombs**—Between June, 1944, and July 1, 1945, American Superfortresses dropped more than 75,000 tons of bombs on Japanese cities. Of this total, more than 20% fell in the last half of June. Since then, the tonnage dropped has soared and in July amounted to more than half the total of the previous year.

Bombing sweeps involving more than 800 B-29 Superforts have scattered terror the length of the Japanese islands, and Allied air generals have promised to double the force of these blows. The cost in U. S. planes is not as high as it was in Europe and is falling as Japa-

BLASTING JAPAN'S WAR POTENTIAL

On Honshu and Kyushu—where most of Nippon's raw materials, industry, and population are concentrated—fall the bulk of Allied bombs. Figures show the percentages of key elements in the home islands' fighting strength contributed by each island.



Intensified bombing of Japan's industries is only a token of the full offensive power of the United Nations. Data on the distribution of productive capacity in Japan are

from official United States estimates of 1944 output. Home-island plants produce most of Japan's munitions and basic parts for factories on the mainland.

nese air opposition wanes. In 261 B-29 raids only 291 planes were lost. In addition to the effect of the bombs dropped, these recent raids cost Japan 900 planes shot down in the air or destroyed on the ground.

• **Navy Closes In**—With the encirclement of the home islands effected by the costly battles of Iwo and Okinawa, Allied air and naval strength is poised on Japan's doorstep. Naval armadas have boldly stalked into protected harbors of Honshu and Hokkaido to lay down thundering 1,000-ton barrages on giant mills and factories. Covered by swarming fighter planes, such raids have been almost uncontested.

Recent bombing forays made in great strength have lured as few as three enemy fighters into the skies.

Battered from the air and from the sea, Japan has been hit from other directions. The Potsdam ultimatum was addressed as much to the people as to the warlords, and in the midst of harrowing raids, it threatens even greater destruction if Tokyo continues resistance. The attrition of Japanese sea communications, coupled with the physical severance of island after island from the empire, is closing a noose on Japanese home-island supply, partitioning the empire for piecemeal defeat.

• **Shipping Blasted**—Already the flow of supplies from the southern reaches of Japan's war-won empire—the Indies and Malaysia—has been cut 90% by the loss of shipping and the able operations of marauding Allied sea and air forces. The land connection across China with French Indo-China has been narrowed to unimportance.

Final defeat must come to Japan through either capitulation or prostration, and the lessons learned by Allied strategists in reducing Germany are being energetically applied to Japan's industries, railroads, and power installations. The empire's war potential is being destroyed at its source, greatly decreasing the defensive capacity of the home islands and their contribution to the military strength of Japanese bastions in North China, Korea, and Manchuria.

• **Choice for Invasion**—On Honshu, with 77% of the population of the islands, are concentrated more than 70% of the ordnance works, shipyards, and power facilities; more than 80% of the aluminum and sulphuric acid capacity; and more than 90% of the textile and aircraft capacity. Kyushu holds the bulk of the remaining productive facilities of war importance, including 57% of Japan's coal output.

As the home islands are weakened and the flow of finished munitions to forces on the mainland cut off, Allied forces retain a choice of invasion ob-

jectives—Japan or the China coast. Without Kyushu's coal, the rest of Japan would be rapidly weakened; without a constant flow from the islands, the Manchurian "bastion"—rich in raw materials but lacking in finishing facilities—would crumble quickly.

• **Raw Materials Piled Up**—In anticipation of a long war and eventual defense of the home islands Japan labored to stockpile vast quantities of raw materials which it could only obtain by importing. These stocks were recently estimated by Washington agencies to be of the following magnitudes:

Bauxite	6 to 18 months
Chromite	1 year
Copper	1 year 5 months
Magnesium	6 months
Manganese	2 years
Molybdenum	1 year
Mercury	2 years
Aviation fuel	1 year or more
Rubber	5 years or more
Tin	8 years

With the healthy start which has been made on the destruction of manufacturing facilities on the home islands, these stocks become of minor significance and, in fact, may eventually become available to the United Nations to hasten the replacement of war-depleted reserves.

South African Iron

Firm maps expansion of steel industry to meet domestic needs of Union and yield surplus for export to South America.

South Africa is planning to enlarge its war-expanded but infant steel industry to the point where it can supply most of the country's domestic needs and make a modest bid for a share of such neighboring markets as South America, the Middle East, and the Far East.

• **New 1,200,000-Ton Plant**—Though still in the blueprint stage, plans of the South African Iron & Steel Industrial Corp. (Isacor) call for building a large steel plant at a new site not far from the present mills at Pretoria. Capacity of the new plant appears to be set at 1,200,000 tons, and will boost South Africa's present modest annual output of steel to 1,800,000 tons. Isacor has created a special engineering division—Van der Byl Engineering Corp.—to supervise construction.

Since the country in prewar days absorbed no more than 800,000 tons of steel a year, it is clear that Isacor

Severn Power Project Awaits Approval

One of Britain's major postwar projects which awaits action by Labor's Ministry of Fuel & Power is the Severn Dam scheme. Revised plans for this long-considered

dam, intended to harness tidal energy for a vital English-Welsh industrial region, were approved in February, 1945, by a government-appointed committee of Britain's top engineers.

The scheme is to let the Bristol Channel tide (maximum rise 47 ft.) back up behind the dam and then generate power on the outflow. Output will be coupled with the national power grid system, and to get an even flow of power (since the tide is intermittent), the output of coal-fired stations on the grid will be staggered. Estimate is that 2,000,000,000 kwh. can be supplied to the grid by the Severn project at about one-half the cost of steam-generated power.

The dam is expected to take eight years to build and to give annual employment, directly and indirectly, to 10,000 men during the construction period. When completed it should provide enough cheap power greatly to increase the use of electric appliances and electric heating in the whole Severn basin.



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At present Iscor exploits its own iron ore deposits at Thabazimbi (Mountain of Iron) in the Northern Transvaal. In quality it is rivaled only by Swedish, Brazilian, and Indian ores, for which it served as a partial substitute during the tense months of submarine warfare when Britain was cut off from those supplies.

• **Materials Ample**—Coal, of fair quality and in large veins near the surface, is located conveniently near the iron ore fields, and the mines are equipped with ultramodern machinery. During the war, coal production has been boosted to 20,000,000 tons a year. While the product compares neither in quality nor in quantity with British, German, or U. S. coal, costs are lower than in any major industrial country.

Also, large manganese deposits, ranking in quality with the rich deposits of India, provide raw material for the production of ferro-manganese which is smelted by one of Iscor's associated companies.

Dolomite and limestone are also available within easy reach of the Iscor plants, and there are known, but not extensively exploited, deposits of chrome, tungsten, and vanadium for use in making alloy steels.

• **Manufacturing Expanded**—Though South Africa, before the war, was one of the best customers of the U. S. for automobiles, household appliances, and a long list of miscellaneous manufactured goods, it has increased its own manufacturing facilities enormously during the years it has been largely cut off from old suppliers.

For an example, the radio industry is now solidly established. Automobile and truck body manufacture has been strengthened by extensive wartime experience with armored vehicles.

• **Two Mills Added**—Two new rolling mills, imported during the war from the U. S., will improve the country's postwar competitive position. In addition, facilities for the manufacture of shoes and blankets, and for the processing of foods have been enlarged and modernized.

While, even with this planned expansion, South Africa will have a steel capacity of only 1,800,000 tons (compared with 15,000,000 in Britain, 95,000,000 in the U. S.), old-timers in the industry look on the development as a sign that South Africa's future import

demands will shift to manufactured steel products. Meanwhile, there's a scramble to see who gets the orders for the equipment which cannot be supplied locally.

CANADA

Trade Fund Shy

French application for \$400,000,000 Canadian credits may force expansion of the Dominion's export program.

OTTAWA—Jean Monnet, special commerce minister who heads an economic commission to Canada, is negotiating for a loan to France reported to be in the neighborhood of \$400,000,000. Negotiations are being conducted with Dominion officials under the Export Credits Act.

Monnet, in discussions with the Trade & Commerce Dept., Mutual Aid (Canada's version of lend-lease), and the Finance Dept., has indicated a willingness to take almost any commodities that the Dominion can spare.

• **Bigger Fund Needed**—The sum mentioned by the French representative is larger than any figure contemplated under the Export Credits Act. However, Prime Minister Mackenzie King is determined to assist the French rehabilitation program and it appears likely that he will seek an amendment to the Export Credits Act to increase the \$200,000,000 in credit which may now be extended to Canadian customer countries under the present act.

Negotiations with the Soviet Union, Belgium, and Norway are also under way and it is believed that, before the program is completed, loans will be approved for all the United Nations in Europe. Credits of \$25,000,000 for the Netherlands and \$25,000,000 for Czechoslovakia have already been set up.

• **Aids Income Program**—One of the motives in granting all of the credits possible under the act is found in Canada's plan to maintain high employment and a resultant high national income in the postwar years.

To achieve its goal, the Dominion faces two or three years of scarcity at home while satisfying demands abroad if she meets all of the requirements of other nations for her commodities.

• **Price Disparity Pinches**—Canada's price controls have maintained a low-priced domestic economy, but, at the

For Full Employment

OTTAWA—The federal government is not expected to pull any punches in presenting its case at the Dominion-Provincial conference on reconstruction which meets here Aug. 6. Minister of Justice Louis S. St. Laurent has emphasized that the objectives of the government's white paper, "Employment and Income," must be realized regardless of constitutional obstacles.

• Federal representatives will not offer their plans on a take it or leave it basis, but will not hesitate to tell the provinces what steps they regard as essential to carry out a program of full employment and high national income. Chief items will be: continuation of high personal income and corporation taxes; extension of peacetime powers to deal with labor standards and social legislation. Over both of these, the provinces now can constitutionally exercise wide jurisdiction.

To gain agreement from nine provincial governments will be no easy task. Quebec, in particular, is jealous of its rights and may balk, as it did last year (BW-Jan. 8'44, p. 51), at the imposition of national labor standards.

• But hopes are high that this conference, unlike that of 1941, will not break down in the face of provincial opposition. Omen of success lies in the way all participants have cooperated in the preparatory studies (BW-Jul. 21'45, p. 116).

me time, have made her commodities attractive to foreign purchasers. The disparity between her prices and those of the U. S. and Britain has widened most monthly until today the policy of price control has created a temptation on the part of commodity growers to sell entirely in foreign markets.

A continuation of the widening of this disparity would gradually milk Canada of her low-cost commodities and could create acute shortages at home, according to some Ottawa authorities.

Ottawa's Task—Already embarrassed by its domestic rehabilitation program by a shortage of building materials, the government faces the task of achieving its postwar goal of \$1,700,000,000 in export trade while maintaining strict control over commodity exports until the release of labor and materials permits expanded production.

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Business Week—August 4, 1945

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AMERICAN MAGNETIC CO.....	79	MONSANTO CHEMICAL CO.....	72
Agency—Fuller & Smith & Ross Inc.		Agency—Gardner Advertising Co.	
AMERICAN MUTUAL LIABILITY INS. CO., 69		MONTGOMERY ELEVATOR CO.....	26
Agency—McCann-Erickson, Inc.		Agency—L. W. Ramsey Co.	
AMERICAN TRUCKING ASSOCIATIONS, INC.	35	MORGAN, STANLEY & CO.....	46
Agency—The Blaw Co., Inc.		Agency—J. Walter Thompson Co.	
AMPCO METAL, INC.....	44	NATIONAL CITY BANK OF CLEVELAND..	78
Agency—Hoffman & York		Agency—McCann-Erickson, Inc.	
ATLAS POWDER CO.....	115	NATIONAL PUBLISHERS ASSOCIATION, INC.	107
Agency—The Altkin-Kynett Co.		OWENS-ILLINOIS GLASS CO.....	31
BELL & HOWELL CO.....	101	Agency—Brooke, Smith, French & Dorrance, Inc.	
Agency—Henri, Hurst & McDonald, Inc.		PENNSYLVANIA RAILROAD.....	82
BREEZE CORPORATIONS, INC.....	76	Agency—Al Paul Lefton Co., Inc.	
Agency—Adams, Burke Dowling, Inc.		PENNSYLVANIA SALT MFG. CO.....	39
BRODERICK & BASCOM ROPE CO.....	99	Agency—Gear-Marston, Inc.	
Agency—Watts Adv. Agency		PLYMOUTH CORDAGE CO.....	106
BULL ENGINEERING CO., INC.....	38	Agency—Fuller & Smith & Ross Inc.	
Agency—Tracy, Kent & Co., Inc.		PRESSED STEEL TANK CO.....	56
BURROUGHS ADDING MACHINE CO.....	23	Agency—The Buchen Co.	
Agency—Campbell-Ewald Co., Inc.		PUCK—THE COMIC WEEKLY.....	51
CARDOX CO.....	24	Agency—Cecil & Presbrey, Inc.	
Agency—Evans Associates, Inc.		THE PULLMAN CO.....	25
THE CARPENTER STEEL CO.....	104	Agency—Young & Rubicam, Inc.	
Agency—Beaumont, Heller & Sperling, Inc.		RADIO CORPORATION OF AMERICA.....	95
CARRIER CORP.....	65	Agency—J. Walter Thompson Co.	
Agency—Chas. Dallas Reach Co.		RAILWAY EXPRESS AGENCY, INC.....	67
CELANESE CELLULOID CORP.....	91	Agency—The Caples Co.	
Agency—Luey & Ellington, Inc.		THE RAULAND CORP.....	100
C. P. CLARE & CO., INC.....	84	Agency—Roy D. Zoff & Assoc.	
Agency—Hamilton Adv. Agency		REFINERS LUBRICATING CO.....	88
THE COLSON CORP.....	30	Agency—Gray & Rogers	
Agency—Meermans, Inc.		RELIAANCE ELECTRIC & ENGINEERING CO.,	74
CONTINENTAL CAN CO., INC.....	81	Agency—Meldrum and Fawcett, Inc.	
Agency—Batten, Barton, Durstine & Osborn, Inc.		REMINGTON RAND, INC.....	37
COOK ELECTRIC CO.....	36	Agency—Addison Vars, Inc.	
Agency—Technographics, Inc. Adv.		REPUBLIC STEEL CORP.....	85
COSMOPOLITAN.....	97	Agency—Meldrum and Fawcett, Inc.	
Agency—Pedlar & Ryan, Inc.		REVERE COPPER AND BRASS, INC.....	40
R. C. COXHEAD CORP.....	119	Agency—St. Georges & Kove, Inc.	
Agency—O. S. Tyson & Co., Inc.		ROBBINS & MYERS SALES, INC.....	105
DAZOR MFG. CO.....	55	Agency—Erwin, Wasey & Co., Inc.	
Agency—Watts Adv. Agency		J. A. ROEBLING'S SONS CO.....	28
HENRY DISSTON & SONS, INC.....	52	Agency—Richard and Co., Inc.	
Agency—Gear-Marston, Inc.		ROLLWAY BEARING CO.....	63
DITTO, INC.....	59	Agency—Barlow Adv. Agency, Inc.	
Agency—W. W. Garrison & Co.		SCHERM BROS., INC.....	86
DODGE MFG. CORP.....	77	Agency—Mace Adv. Agency, Inc.	
Agency—Lamport, Fox, Prell & Dolk, Inc.		SPRIESCH TOOL & MFG. CO., INC.....	118
ERIE RESISTOR CORP.....	66	Agency—Tyler Kay Co., Inc.	
Agency—W. S. Hill Co., Inc.		STROMBERG-CARLSON CO.....	27
THE FARNIR BEARING CO.....	3rd Cover	Agency—McCann-Erickson, Inc.	
Agency—Horton-Noyes Co.		SUNROC REFRIGERATION CO.....	116
FAIRCHILD ENGINE & AIRPLANE CORP. &		Agency—Gray & Rogers	
Agency—Cecil & Presbrey, Inc.		SUPERIOR STEEL CORP.....	11
FIRESTONE TIRE & RUBBER CO.....	110	Agency—Walker & Downing	
Agency—Sweeney & James Co.		TIMBER STRUCTURES, INC.....	8
FOOD MACHINERY CO.....	12	Agency—Botsford, Constantine & Gardner	
Agency—The Mayers Co.		TIMKEN ROLLER BEARING CO.....	49
FRICK CO.....	94	Agency—Elmer-Keller, Inc.	
Agency—Waynesboro Adv. Agency		UNION METAL MFG. CO.....	90
FRIDEN CALCULATING MACHINE CO.....	80	Agency—The Griswold-Eshleman Co.	
Agency—George L. Lann, Adv.		U. S. FIDELITY & GUARANTY CO.....	53
GENERAL ELECTRIC CO.....	14	Agency—Van Sant, Dugdale & Co., Inc.	
Agency—Newell-Emmett Co.		U. S. PLYWOOD CORP.....	47
THE B. F. GOODRICH CO.....	1	Agency—Marchall and Pratt Company	
Agency—The Griswold-Eshleman Co.		U. S. RUBBER CO.....	103
HAMMERMILL PAPER CO.....	41	Agency—Campbell-Ewald Co., Inc. Eastern Div.	
Agency—Batten, Barton, Durstine & Osborn, Inc.		U. S. STEEL SUPPLY CO.....	42
JOHN HANCOCK MUTUAL LIFE INS. CO. 57		Agency—Batten, Barton, Durstine & Osborn, Inc.	
Agency—McCann-Erickson, Inc.		VAUGHAN MOTOR CO.....	58
THE HINDE & DAUCH PAPER CO.....	45	Agency—House & Leland	
Agency—Howard Swink Adv. Agency		VEEDER-ROOT, INC.....	33
HOTEL LENNOX.....	118	Agency—Sutherland-Abbott	
Agency—Gardner Advertising Co.		WARNER ELECTRIC BRAKE MFG. CO.....	64
HOTELS STAYLER CO., INC.....	87	Agency—Klaus-Van Pietersom-Dunlap Assoc., Inc.	
Agency—Young & Rubicam, Inc.		WARNER & SWASEY CO.....	2nd Cover
INTERNATIONAL CHAIN CO.....	70	Agency—The Griswold-Eshleman Co.	
Agency—The Altkin-Kynett Co.		WELSBACH ENGR. & MGMT. CORP.....	34
THE INTERNATIONAL NICKEL CO., INC., 3		Agency—H. E. Lorekin, Corp.	
Agency—Marchall and Pratt Company		WESTINGHOUSE ELECTRIC CORP.....	92
KEARNEY & TRECKER.....	71	Agency—Fuller & Smith & Ross Inc.	
Agency—Klaus-Van Pietersom-Dunlap Assoc., Inc.		WILLSON PRODUCTS, INC.....	8
KEASBEY & MATTISON CO.....	4	Agency—Beaumont, Heller & Sperling, Inc.	
Agency—Gear-Marston, Inc.			
KEYSTONE STEEL & WIRE CO.....	75		
Agency—Mace Adv. Agency, Inc.			



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THE MARKETS

(FINANCE SECTION—PAGE 62)

Last week's news that Britain's Labor Party had won its first decisive victory (page 15) was an unexpected and unpleasant dose for most American investors and traders to swallow. Their first reaction was to become almost as jittery as the more directly affected English traders, and the New York Stock Exchange immediately staged another one of the sharp price shake-outs that have been plaguing the Big Board frequently.

• **Didn't Last Long**—However, while "home" securities have since continued to evidence weakness of a deep-seated character on the London Stock Exchange, the story has been a different one on this side of the Atlantic.

The selling pressure initially generated in Wall Street by the election results proved shortlived. Before last week's trading sessions had closed, Big Board stocks had developed a firmer tone, and early this week they bounced back a bit from the lows registered when election returns became first known.

Nevertheless, it would be a mistake to assume that investors and traders aren't still disturbed by what they consider unfavorable potentialities of the British swing to the left, or by the domestic factors causing price weakness in recent weeks. Even if they are not selling stocks at the moment because of such reasons, they are very definitely not yet resuming the active buying programs noticeable earlier this year.

• **Radical Change Doubtful**—So far as the change in British leadership is concerned, many top men in the financial district are not particularly worried about the event, even though they are sorry it occurred.

They don't expect, for example, radical changes in England's setup, nor any great effort to follow the Russian pattern. Instead, they expect the essential conservatism of the British labor leaders to prevail over the theoretical objectives of the party extremists and, at the most, to see a middle-of-the-road socialism prevail which should have no indirect unfavorable effects on this country.

The rank and file of market participants, however, know only too well that top Street opinion hasn't always proved infallible. They are not convinced that the picture the higher-ups paint is not a product of wishful thinking.

• **Heavier Taxes?**—The average investor knows that it is proposed only to socialize public utilities and the iron and steel, coal, transportation, and banking industries but to the tune "There Will Always Be An England."

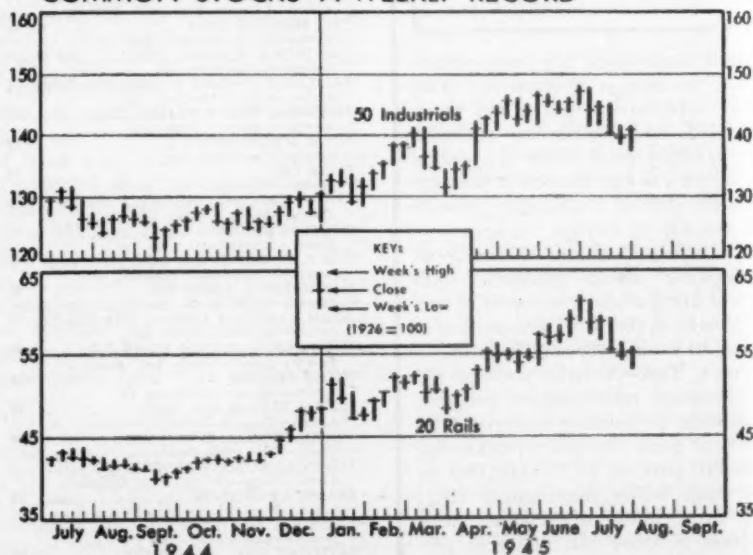
But he's also reported to believe that socialization often grows by what it feeds on, that it may require heavy taxes which devour capital as well as income, that a government-owned banking system alone could exercise state-control over all industry by granting or withholding credit.

Security Price Averages

	This Week	Week Ago	Month Ago	Year Ago
Stocks				
Industrial ...	140.8	139.6	143.8	125.9
Railroad	55.1	54.6	58.7	42.3
Utility	70.7	70.3	72.4	54.7
Bonds				
Industrial ...	122.1	122.0	122.1	120.6
Railroad	115.0	115.0	115.5	107.3
Utility	115.8	116.2	116.7	116.1

Data: Standard & Poor's Corp.

COMMON STOCKS—A WEEKLY RECORD



Data: Standard & Poor's Corp.

THE TRADING POST

War Diplomats

At this critical moment in the reeling of world trade routes, management men will agree that there is a importance to a familiar "plea for professional diplomats" that one of their number has addressed to this department. He writes:

"If V-E and V-J days are to inaugurate America's coming of age, and if we finally to accept and fulfill our international obligations, then it is only evident that our diplomatic representatives must be many and of the best quality. Quibbling over the salary of a legation secretary or over his master's expense account, when they undertake a task for which any number of state industries would gladly foot the bill, becomes puerile.

"American industry requires adequate, intelligent and sympathetic representation abroad. It is quite prepared to pay for this service but it wants only the best, and there is no earthly reason why it shouldn't have it. There is no reason why it should need to maintain its own state departments and its own intelligence services abroad as it has to, in order to meet foreign competition.

* * *

"It is generally conceded that a private soldier, before being exposed to an enemy, must be subjected to a minimum of six months of intensive training. It has been this nation's practice to accept candidates directly into the foreign service of its State Department after the simple process of passing a competitive examination.

"Then, suppose an accepted candidate trains himself while in the service and turns out to be good. After many years he may have risen to the post of assistant secretary to a legation or an embassy. By this time he will probably be married and acquired a family. He will have perfected himself in one or two foreign languages and be on his way to becoming a seasoned diplomat. Well, then, if he is average American and not blessed with a private income, he confronts the fact that our State Department has never seen fit to remunerate its diplomatic servants adequately. So, at this crucial point in his development, he most likely seeks—and usually finds—private employment in the field of foreign commerce where he may readily double his salary.

"International diplomacy is one of

the most complicated and specialized fields existent, with a self-evident requirement for specialized training and experience. Yet it has been the custom of our State Department to place political appointees in posts of the highest diplomatic importance.

"Obviously, this should not be necessary. There should be available not one but a dozen trained and seasoned diplomats for each appointment to a high place. Our nation would loudly protest the appointment of an Admiral of the Fleet or General of the Army from amateur ranks.

* * *

"A school, college, university—call it what you may—should exist in this country for the sole purpose of selecting and training the greatest corps of foreign diplomats the world has ever known. Selection of candidates should be based on the system now used at West Point and Annapolis. The entire four or six years' tuition should be subsidized.

"Once a student is graduated he should enter our foreign service at a salary commensurate with that of the average college graduate entering commercial life. From that point on, his salary as a member of this nation's foreign diplomatic staff should generally be based on the current American wage scale. For example, if an American oil company is paying its local manager in Saudi Arabia \$50,000, the American minister there should receive in the neighborhood of \$30,000 to \$40,000.

"Diplomatic education should stress such studies as international law, history, and economics. Students should be required to have a thorough knowledge of at least two languages other than English. Their courses should include lectures by leaders in the fields of the arts, sciences, and all aspects of commerce; such lecturers would be glad to donate their services. And a student should spend at least one preparatory year in travel abroad, not as an active member of any diplomatic mission.

"Even if we started such a program now, we would have to blunder through a hiatus of at least the next five years as we have blundered through the past years—learning our lessons the hard way. It will all be very expensive, but the tired, worn wrecks who are left should be more than delighted by the gradual influx of intelligently trained personnel upon whom they can build hopes for the greatest foreign service our country has ever known."

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THE TREND

FIRST STEPS TOWARD POSTWAR TAXES

When Congress comes back to work this fall, one of the first things it tackles will be the problem of setting up a postwar tax system. For the next few years, a succession of bills will struggle through the legislative machinery, each covering a subdivision of the tax question. By the time it becomes law, each measure will have a long pedigree of study and debate, but each in itself, probably will be a disappointment to taxpayers.

- **To minimize their disappointment**, taxpayers—corporations and individuals alike—will have to distinguish between the immediate adjustments that precede or follow closely on the end of the war and the more or less permanent tax structure that ultimately evolves.

The first postwar tax bills will be intended primarily to scale down wartime rates in line with the shrinkage of government spending and national income. They will leave the fundamental outlines of the tax system unchanged. Politically, they will be sedatives, designed to keep the taxpayers relatively quiet. Economically, they will serve as stopgaps while Congress and the Treasury appraise the postwar picture and try to engineer a tax program that will meet our enormous revenue requirements without stifling production or impoverishing consumers.

- **At present, this much seems to be in the cards for the period immediately after the collapse of Japan:**

- (1) Repeal of the excess-profits tax on corporation incomes. This will be a big concession, but not as big as the present yield (about \$10,500,000,000 annually) could suggest. The corporate normal and surtax (now 40%) is likely to stay where it is for at least a year or so after V-J Day, and with the repeal of the excess-profits tax this will apply to all corporate income.

- (2) Substantial cuts in the wartime excise taxes. Many excises will be repealed outright; others will be cut immediately after V-J Day. Taxes on liquor, tobacco, and gasoline—the big revenue producers—probably will stay high.

- (3) Modest—probably very modest—reductions in individual income taxes. Rates will be trimmed all along the scale, but the biggest reductions, percentagewise, will be at the top and the bottom. So-called “political rates” on the top-bracket incomes are likely to be softened. The 3% normal tax which applies to all income above \$500, without exemptions, is ticketed for early repeal. Personal exemptions, which have been hammered down to \$500 a person, will be boosted cautiously. Exemptions will remain low throughout the foreseeable future, however. To meet revenue demands of the postwar period, the tax system must have a broad base. Even raising the personal exemption from \$500 to \$750

would take about \$13,000,000,000 of income out of the present tax base and would cut revenues about \$2,500,000,000 a year.

- (4) Repeal of various nuisance taxes, such as the declared value excess-profits tax and its companion, the capital stock tax.

The exact timing of these measures depends on military developments during the coming year. Sen. Walter George announced last week that the Joint Committee on Internal Revenue Taxation would bring out recommendations in the fall. Congress probably will start the legislative wheels turning toward the end of the year or early next year.

If the war is over or seems nearly over by then, Congress will hustle the tax relief measures through in time to take effect on all 1946 income. If the war promises to drag on, the legislators probably will postdate the reductions to V-J Day. Either way, the first instalment of the tax relief job will be done before Congress goes home next summer to prepare for the November elections.

- **Interim tax adjustments** probably will be spread over several years, with each new bill giving a little more ground than the one preceding it. Throughout, the country's tax system will remain a makeshift, as it is today. The permanent postwar tax structure won't emerge until Congress and the Treasury have managed to reconcile as well as they can an annual demand for some \$25,000,000,000 in revenue with the necessity of maintaining high employment and high-level production.

One problem that must be tackled is the double taxation on corporate income. Under the present system a corporation's earnings are taxed once when they show up on the company's books and again when they are paid out to the shareholder. This puts a damper on equity investment and discourages risk taking, which means that it may easily throw a wrench in the government's plans for employment and production after the war.

Another problem arises in the proposal of incentive taxes that would give an edge to new enterprises or put a premium on maintaining employment.

- **Both of these are branches of the broader task of fitting taxation into the whole framework of federal policy**, so that revenue raising will not work at cross purposes with other government programs and with itself. A tax system that has to raise \$25,000,000,000 a year can succeed only if the country's economy manages to stay on a high level. And the economy will stay on a high level only if revenue policies are framed with a careful eye to their effects on the general prosperity.

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